

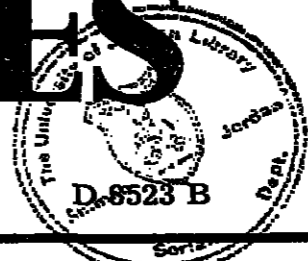
FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Thursday February 27 1986

No. 29,866

The Flick affair returns to haunt Kohl, Page 2



Amster.	Scd. 28	Indones.	Rp 2500	Portugal	Esc 50
Bahama	Dm 0.650	Japan	Yen 110	S. Africa	Rand 8.00
Bangkok	Bt 1.000	Korea	Won 100	Singapore	S\$ 4.10
Belgium	Bfr 36	Malaysia	Mal 1.00	Spain	Ptas 135
Canada	Cdn 1.00	Norway	Kr 1.00	Switzerland	Sfr 2.20
Dallas	Dlr 1.00	Philippines	P 1.00	Taiwan	Nt 1.00
Denmark	Dkr 8.00	Saudi Arabia	R 1.00	Thailand	Bt 1.00
Frankfurt	DM 1.00	Singapore	S\$ 4.10	Turkey	Lira 1.00
Geneva	Fr 5.00	Taiwan	Nt 1.00	U.S.A.	Doll 1.00
Hong Kong	Hk\$ 1.00	U.S.A.	Doll 1.00		
London	£ 1.00				

World news Business summary

Ulster Unionists call for strike

PROTESTANT supporters of Northern Ireland's union with Britain called a one-day strike for Monday to disrupt industry, transport and electricity supplies in protest against last year's Anglo-Irish agreement.

Official Unionist Party leader James Molyneux announced the strike in the Northern Ireland assembly little more than 24 hours after he and the Rev Ian Paisley emerged from talks with Mrs Margaret Thatcher, the UK Prime Minister, to report they had avoided deadlock with the British Government.

It appears that hard-line elements, especially in Paisley's Democratic Unionist Party, have held sway over the leadership, persuading them to intensify the campaign against the Anglo-Irish accord. Page 16

Duvalier move

French hotel owner Jean Tiffinat is seeking a court order to evict ousted Haitian leader Jean-Claude Duvalier from his exclusive hotel in Tallioles near the Swiss border, where he has been staying since February 7. Duvalier's stay has dragged on as a series of countries have turned down French requests to give him permanent asylum.

Haiti rights trials

Haiti's new Government said it would prosecute officials involved in human rights abuses under the Duvalier dictatorship.

Iran 'holds peaks'

Iran said its troops had captured 200 sq km of mountain peaks in an offensive into Iraqi Kurdistan, while Iraq said Iranian defences on the few peninsulas in southern Iraq were crumbling. Page 4

Malaysia poll

The chief minister of Sabah dissolved Parliament to seek a new mandate following bitter political disputes in the east Malaysian state. Page 4

Ex-president's trial

The Bolivian Congress has ordered the trial of former president Luis Garcia Meza, who seized power in a bloody coup in 1980, on charges of genocide, armed sedition, fraud and robbery.

Kurds sentenced

A military court in eastern Turkey sentenced 22 Kurdish rebels to death, six to life imprisonment and 151 to up to 24 years in jail for offences including murder.

French reprisal

France has halted the import of New Zealand sheep brains and offal in an apparent retaliation for the jailing of two French secret agents who sank Greenpeace ship Rainbow Warrior, the French wholesale meat trade said.

Solidarity setback

The Polish Government has restored Saturday work in industry, dealing a blow to one of the main gains of the Solidarity trade union before it was banned.

Peru mayor shot

A mayor in Peru's main coca-growing region was machine-gunned to death by Maoist guerrillas. Page 3

Lebanon car blast

A car bomb exploded at a Palestinian refugee camp in south Lebanon, wounding seven people.

Holiday on ice

The industrious Dutch took time off work to watch live, or on television, the Eleven Towns Race, a marathon staged by 17,000 people over frozen canals of northern province Friesland. It was only the 14th time in 100 years that conditions had been right for the race.

Mexico to seek \$9bn package

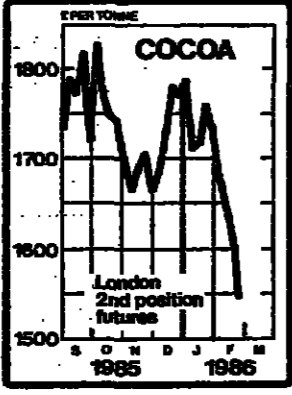
MEXICO is asking Washington to back a \$9bn rescue package after the collapse of oil prices. The Mexican proposal includes a limit on interest payments equivalent to roughly a 2-point cut in the rates paid on the country's \$97bn foreign debt. Page 15

CANADA'S budget proposed a wide range of spending cuts and tax increases designed to allay international concern at the Federal Government's high budget deficit and large debt volume without provoking a domestic political backlash. Page 16

LONDON: demand revived for gilts and leading equities. The FT-SE 100 hit a peak of 1,534.5, up 8.9 while the FT Ordinary share index added 8 to 1,270.2. Page 40

WALL STREET: The Dow Jones industrial average closed up 4.24 at 1,698.00. Page 40

TOKYO: shares soared to a record high. The Nikkei average rose 45.40 to 13,621.70. Page 40



COCOA prices fell further on the London futures market as hopes of renegotiating the price-supporting International Cocoa Agreement receded, with the Ivory Coast's announcement that it would not join a new pact. The May position closed down at a 27-month low of £1,548.50 a tonne. Page 32

DOLLAR closed in New York at DM 2.2240, SF 1.8800, Ffr 0.9400 and ¥181.30. It was on the whole weaker in London, falling to DM 2.2271 (DM 2.2444), SF 1.879 (SF 1.885) and Ffr 0.9325 (Ffr 0.9375). But was firmer at ¥181.1 (¥180.85). On Bank of England figures, the dollar's index fell 0.5 to 117.2. Page 33

STERLING closed in New York at \$1.4850. It closed 40 points lower against the dollar in London to \$1.4885 and was also weaker at DM 3.315 (DM 3.325), SF 2.7875 (SF 2.8125), Ffr 10.2 (Ffr 10.31) and ¥289.5 (¥289.75). The pound's exchange rate index fell 0.4 to 75.3. Page 33

GOLD fell \$3.50 on the London bullion market to \$346.75 and was \$5.25 lower in Zurich at \$348.25. In New York the April Comex settlement was \$338.50. Page 32

BRITAIN recorded a current account surplus of £1.14bn (£1.68bn) in January, the largest for three years, thanks to surging oil exports. Page 8

LITTON INDUSTRIES, Los Angeles-based conglomerate, reported a 37 per cent drop in second quarter earnings to \$47m, on sales 4.5 per cent ahead to \$1.17bn. Page 17

NORANDA, Canadian resources and industrial products group, expects to meet its CSiba (US\$1.39bn) debt reduction target with ease. Some CS800m has already been raised from asset sales and new financing and a further CS300m is expected from current transactions.

PHILIPS, the Dutch electronics company, said its profits fell 17 per cent to Fl 919m (€863m) in 1985 on sharply lower sales and earnings in the US of integrated circuits and audio-video equipment. Page 17

MATSUSHITA Electric Industrial, the world's largest electronic and electric appliances maker, lifted its group net profits 3 per cent to ¥246.45bn (€1.4bn) in the year to November 20 1985. Page 19

Danes set to cast pragmatic vote for EEC reform

ALL THE public opinion polls, television audience research, straw polls and taxi drivers say the same: Denmark will today vote resoundingly in favour of EEC reform. writes Quentin Peel in Brussels.

It is an outcome which, on the face of it, goes against years of deep-seated Danish suspicion about any move to strengthen the institutions of the European Community and reinforce the slow progress of integration among the 12 member states.

A solid Yes vote in today's referendum implies approval for the process of European integration - at a very slow pace. It also means a positive response to a complex package of reform measures - proposed amendments to the Community's constitution, the Treaty of Rome - which are both difficult to understand and a profound disappointment to many other member states.

It should clear the way for two other member states - Italy and Greece - to lift their objections, and for the package to be submitted to all national parliaments for ratification before it actually becomes EEC law, probably next year. Only then will it be possible to implement the measures in full, such as more majority voting rather than a laborious search for unanimity among the 12, and more involvement for the European Parliament in decision-making.

The referendum campaign in Denmark, launched by Mr Poul Schlüter, the Prime Minister, after he was defeated in the Danish Folketing on the issue in January, has not been so much about the prestige reform measures for Mr Schlüter has successfully shifted the battleground to the basic question of Danish EEC membership and how the Community should develop in the long term.

The opposition parties, led by Mr Anker Jørgensen's Social Democrats, seem to have miscalculated badly on how the voters would translate their vague misgivings about Brussels and all its works into a specific vote.

Forced on the defensive, they have tried to keep the debate focused on the reform package, for all its complexity. Yet the solid core of No voters is not concerned about

the detail, but like Mr Schlüter about the basic issue of EEC membership.

As a result, the whole campaign has been conducted in an air of unreality, precipitated by domestic political machinations, discussing issues which are not on the ballot paper, and struggling to involve the wider electorate in questions that leave them cold.

Yet some of the issues in the package are capable of arousing strong passions.

There are those on the left who oppose the whole process of European integration and the ambition of member states to complete the Common Market by 1992 on the grounds that it is all a capitalist conspiracy.

More popular is the very real concern about Denmark's high environmental and safety standards and the fear they will be eroded by majority voting of the other members. Danes are convinced they have the highest standards for safety at work, for pollution control and for food hygiene, and that EEC rules on free competition and common standards can only erode them.

Then there are the opponents of more power for the European Parliament, which would get more chance to propose amendments to EEC decision under the reform package. In Denmark, that is seen as a dangerous incursion on the

Continued on Page 16

Aquino names Cabinet as tension yields to mood of reconciliation

BY CHRIS SHERWELL AND SAMUEL SENOREN IN MANILA

MRS CORAZON AQUINO in her first day as undisputed President of the Philippines, unveiled her new Cabinet yesterday as Tuesday's climactic casting of Mr Ferdinand Marcos gave way to a mood of national reconciliation.

The announcement came as life returned to normal throughout the country although thousands of people continued to occupy the presidential palace. Banks and shops reopened, no fighting was reported and Marcos loyalists in the military ended their challenge.

As messages of congratulations poured in from foreign governments, activity picked up both in the local stock markets and in Philippine stocks quoted abroad. Trading in some shares in Manila had to be frozen after prices had risen to the maximum allowable 40 per cent.

The new Cabinet brings together politicians, business executives and professionals who have consistently opposed the Marcos Government. At least five of them were once jailed by the former leader.

Vice President Salvador Laurel, already named Prime Minister designate, will also hold the Foreign Affairs portfolio. The key Finance Ministry post goes to Mr Jaime Ongpin, a close adviser to Mrs Aquino who is head of Benguet Corporation, one of the country's largest mining concerns.

Of the other economic appointments, Mr Jose Concepcion, an industrialist, becomes Trade and Industry Minister, and Mr Alberto Romulo is named Budget Minister. In a significant move, Mr Jose Fernandez is reappointed Governor of the Central Bank.

The new Cabinet list is significant for not including a Minister of

Retirement-age sex bias ban by European Court

BY ROBIN PAULEY IN LONDON AND RAYMOND HUGHES, LAW COURTS CORRESPONDENT, IN LUXEMBOURG

RETIREMENT arrangements for more than 20m public sector employees in five EEC states might have to be changed after a European Court ruling yesterday that Britain's practice of compelling women to retire five years earlier than men breaches the Community's directive on sex equality.

The directive, and therefore the judgment, does not apply to the private sector. As EEC law permits employers to discriminate between pension rights for men and women, the ruling does not affect public sector pension rules or the age at which they become payable.

But the ruling has profound implications for Britain and four other states breaking the same directive - Luxembourg, Belgium, West Germany and Italy. The first three have the same public sector retirement ages as Britain - 60 for women and 65 for men. In Italy, women retire at 55 and men at 60 in the public sector.

The ruling is particularly embarrassing for Britain as it has a history of defeat in the European Court over sex discrimination.

Earlier this month the UK Government introduced a Sex Discrimination Bill in the House of Lords to try to comply with a finding by the court in November 1983 that Britain's 1975 Sex Discrimination Act failed to implement the equal treatment directive in a variety of ways.

The bill, however, does not cover yesterday's court findings on a test case brought by Miss Helen Marshall, now 68.

Yesterday's judgment, which confirmed last September's ruling by Sir Gordon Slynn, the Advocate General, said that the 1976 EEC sex

equality rule meant "the general policy involving the dismissal of a woman solely because she has attained the qualifying age for a state pension, which age is different under national legislation for men and women, constitutes discrimination on grounds of sex."

This means that whatever retirement age is set for men in the public sector must apply equally to women. Reducing the retirement age for both to 60 would cost more than £2.5bn (£3.7bn) a year in Britain alone if men were not to be left without a state pension. Even compromising on 63 would cost more than £500m a year extra. If no extra cost were to be involved, the equal retirement age would have to be just over 64.

Some British ministers, notably Mr Norman Fowler, Social Services Secretary, and Mr Kenneth Clarke, Paymaster General, favour flexible retirement policies such as the "decade of retirement" idea raised in Mr Fowler's discussion document on social security reform. Men and women would have equal rights to choose when to retire between the ages of 60 and 70 or, less likely, between 55 and 65.

The degree of upset which the ruling could cause in both the public and private sectors was apparent from reactions in Britain last night.

A spokesman for the Employment Department said the implications of the judgment would have to be studied very carefully before any more amendments to the 1976 Act were contemplated, because any such changes could provoke serious knock-on effects in the private sector.

Continued on Page 16

Feruzzi may buy British Sugar

BY ALAN FRIEDMAN IN MILAN AND ANDREW GOWERS IN LONDON

THE FERRUZZI group, the Italian food and agricultural group which controls Europe's biggest sugar conglomerate, is understood to have reached agreement in principle to make a cash offer for S&W Berisford, followed by a leveraged management buy-out of all its assets excluding the British Sugar subsidiary.

Under the agreement, to be presented formally to the Office of Fair Trading within the next few days, Ferruzzi would ultimately pay a total of about £400m (£596m) for British Sugar. The Italian company is understood to be willing to pay about £200m for British Sugar and would take over about £200m of its debt.

Ferruzzi, based in Ravenna, is Italy's third largest private sector group in turnover terms after Fiat and Montedison. It has annual revenues of about \$6.5bn and is larger than either Olivetti or Pirelli. However, the family-held group has only two subsidiaries quoted on the Milan bourse and has never published a consolidated balance sheet.

Last week Ferruzzi paid £50bn (£32m) for a 8.5 per cent stake in Beghin-Say, the French sugar and paper products group. This brought

Ferruzzi's shareholding to 49.5 per cent, the largest single stake.

The combined production of Ferruzzi's Eridania Italian sugar subsidiary and Beghin-Say gives the group about 18 per cent of the European market, making it the largest. The addition of British Sugar would bring the total EEC quota to 2.74m tonnes a year or 22.5 per cent of the European total.

Although complicated, the deal would effectively relieve Berisford of about £200m of debt which it assumed in 1982 to acquire British Sugar.

Ferruzzi, chaired by Mr Raul Gardini, appears willing to pay in cash. The Eridania sugar subsidiary recently launched a £800bn rights issue on the Milan bourse and the Ferruzzi family subscribed for half.

If the deal goes through, Ferruzzi is thought to be interested in using much of its sugar capacity for industrial applications instead of consumer and food industry sales.

Berisford confirmed yesterday it had received an approach from Ferruzzi but said discussions were at an early stage. If an offer was made, it said, the price would be unlikely to be significantly above Ber-

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UK EQUITY FUND UP 49% STOP
AMERICAN FUND UP 37%...
INTERNATIONAL FUND UP 37%
AND MANAGED FUND UP 30% STOP
MORE TO FOLLOW..."

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Scottish Life Investments

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EUROPEAN NEWS

Gorbachev calls for greater price flexibility

By Patrick Cockburn in Moscow

THE SOVIET leader, Mr Mikhail Gorbachev, at the opening of the Communist Party congress in Moscow on Tuesday, said that he favoured greater flexibility on prices, a much greater role for demand in consumer industries and the ability of collective farms to market produce surplus to their plan.

Aerospatiale bides its time over Westland

By David Marsh in Paris

FRANCE believes it has lost battle over the future of Britain's troubled Westland helicopter group—but not necessarily the war.

Rupert Cornwell reports from Bonn on the revived threat to the West German leader The Flick affair becomes the Kohl affair



Mr Kohl: not ignorant

SUDDENLY THE Flick affair has become the Kohl affair. The decision last week by the Koblenz public prosecutors to open a criminal investigation into alleged false testimony by the West German Chancellor has turned a scandal which seemed to be dying gently beneath the weight of its own complexity into a direct threat to the holder of the country's highest political office.

accusation is still being considered by the prosecutors in Bonn. But, as everyone now knows, Rhineland Palatinate prosecutors in Koblenz have already decided to look into the charge arising from the Mainz testimony that Mr Kohl was not—as he abruptly stated last July—entirely ignorant of a supposed charity called Staatsbürgerliche Vereinigung 1954 e.v., in fact a laundry for donations and his Christian Democrat (CDU) party.



Mr Schily: formidable

Nato meets about \$250m US arms fund

By Bridget Bloom, Defence Correspondent

THE NATIONAL armaments directors of Nato's 16 members met in Brussels today to try to agree on a \$250m US fund for inter-alliance arms co-operation.

Europe 'should maintain Gulf links'

By Our Middle East Staff

WEST EUROPE should not allow its policy towards the Gulf to be related to energy diplomacy to slip as a priority because of falling oil prices and reduced dependence on producers of the region over the next decade or so, according to a study published today.

Greece to free capital flow for residents of EEC

By Andriana Terodacnou in Athens

GREECE IS close to introducing legislation which will allow residents of the other 11 European Community countries to move capital freely in and out of the country, according to Economy Ministry officials in Athens.

France sets one condition for participation in SDI

By Our Paris Staff

THE Paris Government's sole condition on French companies taking part in the US Strategic Defence Initiative (SDI) research programme will be that American secrecy rules should not prevent them carrying out work for the French defence effort, Mr Hubert Curien, the French Research and Technology Minister, said yesterday.

Poehl criticises currency target zone proposals

By John Davies in Frankfurt

FUNDAMENTAL economic factors rather than target zones should be the key to a more stable world monetary system, according to Mr Karl Otto Poehl, president of the Bundesbank, in West Germany's central bank.

Italy's speculation losses

By James Buxton in Rome

THE BANK of Italy yesterday revealed figures showing the extent of the damage caused to the country's balance of payments and official reserves by the 1985 when total overall balance of payments deficit amounted to L3,518bn. In December the monthly figure was L1,586bn.

David Housego reports on the negative effect industrial closures have had on left-wing support

By David Housego

THE regional terms the Communists were unable to profit from their participation in the Government between 1981 and 1984, when their members were disorientated by the U-turn in policy. "We suffered from a crisis of identity," says Mr Renard.

Steady decline of Communist vote signals change in northern France

ON A FROSTY Saturday earlier this month, Mr Michel Delebarre, the Socialist Minister of Employment, set out on an election tour of the industrial centres of the north of France. To his surprise, there was not a Communist demonstrator in sight.

recession has achieved a shift in attitudes among the work force in industry, a "cultural revolution" with which the CGT has not kept pace. He thinks that the Communists will hold on for the moment to traditional fiefs in the north—textiles, coal, and steel—but will lose these as well when the present generation of party faithful disappears.

of modernisation, improved training and educational possibilities go down well, he says. But Socialists need more time to show results. On his electoral tour he stopped at the industrial centre of Cambrai to speak at a conference on industrial training bringing together employers, educational institutes and the trade unions. "Five years ago," he said, "such an event would not have been possible."



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AMERICAN NEWS

Mexican debt move irks fellow Cartagena members

By Jimmy Burns in Buenos Aires

THE LAST MINUTE attempt by Mexico to secure a debt rescue package has plunged the Cartagena group of 11 Latin American debtor nations into a state of unprecedented confusion. This emerged yesterday as officials arrived in the Uruguayan resort of Punta del Este to prepare Friday's summit. The summit of the foreign ministers of Uruguay, Brazil, Mexico, Colombia, Venezuela and Argentina who form the steering committee of the Cartagena group. Cartagena was formed in 1984 to coordinate positions on the region's \$370bn (£246bn) foreign debt. The Punta del Este meeting was called early this month by Mexico and Venezuela in response to the "emergency" situation created by the drop in oil prices yesterday afternoon. Officials said they had no working document on which to base their recom-

mendations to the ministers. "We are still seeking clarification from Mexico as to what is going on," said one. Mexico had been expected to give an early indication as to what strategy it wished the Cartagena group to adopt. Instead it appears to have concentrated all its efforts on striking a bilateral deal with the US Administration and other creditors in Washington. Venezuela, which has always kept a low profile in regional debt conferences, has chosen to sign a rescheduling agreement with commercial banks. Yesterday Argentine officials in particular were hardpressed to hide their chagrin with what they suspect may be Mexican duplicity, and the risk this implies for the regional unity on the debt issue which has been carefully consolidated in recent months.

Uruguay deal agreed

URUGUAY HAS reached agreement with its main creditor banks on the terms of a \$2bn (£1.05bn) rescheduling of debt falling due between now and the end of 1989 and on a \$450m co-financing loan to be provided jointly by the commercial banks and the World Bank, writes Peter Montagnon, EuroMarket Correspondent.

Terms of the rescheduling are to be sent shortly to the country's 115 bank creditors and the deal should be signed in April. Citibank announced in New York yesterday. The co-financing loan, which will be used to develop the Gabriel Terra hydroelectric power station, is the first voluntary loan to Latin America since the debt crisis broke. It has brought in 30 banks, some of whom have not lent to Uruguay before. Though negotiations on the deal preceded the launch of the initiative by Mr James Baker, US Treasury Secretary, on easing the debt crisis, Mr William Rhodes, a senior Citibank executive, said it reflected the spirit of Mr Baker's proposals. The rescheduled debt will be repaid between 1988 and 1996. Part, amounting to \$1.76bn will carry interest at a margin of 1½ per cent over Eurodollar rates, while the balance which is new money granted under a previous package in 1983 will carry a margin of 1½ per cent.

White House denies Regan pressed for shuttle launch

By Nancy Dunne in Washington

THE National Aeronautics and Space Administration (Nasa) yesterday launched its defence against charges by engineers that it had put pressure on Morton Thiokol, maker of Shuttle booster rockets, to agree to the fatal January 28 flight of the Challenger. Meanwhile, Mr Larry Speakes, White House spokesman, denied rumours that Mr Donald Regan, the Chief of Staff, had put pressure on Nasa to "get that thing up" to coincide with the President's State of the Union message scheduled for the evening of the accident. Mr Speakes said he was "tired of that story" and called it "the

most vicious and distorted rumour I've ever heard." Mr Lawrence Mallory, supervisor of the boosters for Nasa, told the presidential commission investigating the disaster that he had only "challenged the logic" of the initial Thiokol recommendation not to launch. Mr Mulloy acknowledged that Thiokol's contract was due for renewal soon but said the company should not have felt any pressure to give the launch go-ahead for that reason. It was simply that the engineers' conclusions were based on information that "didn't seem to hang together," he said.

Tylenol scare in Nashville

TRACES of what appeared to be cyanide were discovered in the body of a 32-year-old Tennessee man and in an extra-strength Tylenol capsule found in a bottle beneath his death bed, officials said Wednesday. AP reports from Nashville, Tennessee. "Preliminary tests were done Tuesday which indicate cyanide is present," said Nashville medical examiner Dr Charles Harlan. "But we still have some confirmatory tests to make sure that's what's there." Earlier this month, Johnson and Johnson, the maker of

Tylenol, took the capsules of the non-aspirin pain reliever off the market after a New York woman died from taking an extra-strength Tylenol capsule that had been laced with cyanide. Three and a half years ago, seven people in Illinois died after taking extra-strength Tylenol capsules spiked with the poison. Police said they first thought the Nashville man, Mr Timothy Green, had died of natural causes. His health had been poor.

Peruvian mayor shot dead by guerrillas

A TOWN mayor in Peru's main coca-growing region has been machine-gunned to death by Maoist guerrillas as part of an increased rebel campaign to kill municipal officials, Reuters reports from Lima. They said Sendero Luminoso (Shining Path) guerrillas shot dead Mr Abraham Rodriguez Sanchez, 50, as he was leaving his home in Aucayacu, 800 km north of Lima two days ago. Mr Rodriguez Sanchez, a member of the ruling APRA party, took up his post after his predecessor was assassinated two months ago. He was the seventh municipal official to have been killed by the guerrillas this month. Aucayacu is at the heart of the illicit trade in coca leaves. Peru supplies nearly half the raw material for the world's supply of cocaine, most of it refined in neighbouring Colombia for shipment to the US. Police and municipal officials in Tingo Maria, near Aucayacu, said they believed that guerrillas, not drug traffickers, had killed the mayor. In Lima, three young women suspected of leading Maoist guerrillas attacks here at the weekend have been seized in gunfights with police agents.

Haiti promises action against Duvalier aides

HAITI'S new Government, responding to intense public pressure, announced yesterday that it would prosecute officials involved in human rights abuses under the Duvalier dictatorship. Reuters reports from Port-au-Prince. The announcement was read over local radio stations as scores of Haitians took justice into their own hands and looted the home of former secret police chief Luc Desir, whose attempt to leave Haiti on Tuesday prompted violence at the airport. Troops used tear gas and fired in the air to disperse several hundred people who besieged the terminal to prevent the former secret police chief leaving on an Air France flight. A day earlier former police chief Albert Pierre was allowed to leave Haiti for exile in Brazil, a decision that caused widespread anger and resentment here. "From now on, there will be no more departures" in such cases, a statement read by Mr Gerard Gougeon, the Justice Minister, said. He said the Government would arrest and bring to justice Haitians suspected of crimes during 28 years of dictatorial rule by the Duvalier family. Under Francois Duvalier and his son Jean-Claude, Haiti won a reputation as one of the world's worst human rights violators. Both Mr Pierre and Mr Desir are said to have been personally involved in the torture and murder of prisoners.

Wage talks at Eastern Air Lines break down

By Our New York Staff

EASTERN AIR LINES' bankers are expected to hold an emergency meeting today to consider whether to extend a default deadline on the airline's \$2.5bn (£1.06bn) debt even though the troubled carrier has so far failed to win the wage concessions that the bankers are requiring to continue their financial support. Hopes that Texas' Air's \$600m rescue of Eastern, agreed on Monday, would solve the company's financial problems, were thrown into doubt yesterday following the collapse of wage talks with the Eastern's flight attendants. The attendants said that they would strike on Friday unless the airline agreed to a wage contract.

Eastern's bankers had earlier ruled that the airline needed to win concessions from the three main unions, representing its pilots, flight attendants and machinists, by Friday to avoid technical default on its debt. Late on Sunday the pilots signed a wage pact with the company and the flight attendants, the weakest of Eastern's three unions, said that they had reached agreement.

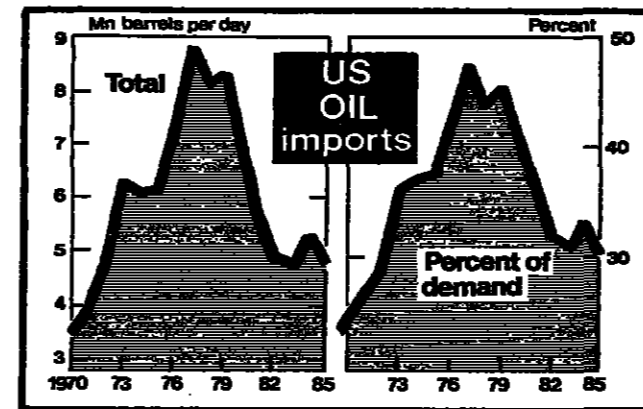
However, Eastern now says that it never reached agreement with the flight attendants

Pressure on the Administration to introduce an 'imports fee' is growing, says William Hall

"WITH THE alacrity of a hunting dog catching the scent of a game bird, many seekers of the quick fix and the easy solution are once more pointing their fingers at the oil industry as the way to cut the budget deficit," thundered Mobil Corporation in a recent advertisement. Mobil, in common with most of the other US oil majors, has been sounding alarm bells in a bid to prevent the Reagan Administration from taking advantage of the windfall gains from the collapse in oil prices by imposing a tax, sometimes thinly disguised as a "fee," on oil imports.

It is not the first time that the US, the world's biggest oil consumer, has debated taxing oil imports. But this time round the idea is building up a head of steam and there are signs that opposition within the oil industry is softening, particularly among the financially pressed oil companies some of whom are beginning to argue that an import tax could be justified on national security grounds.

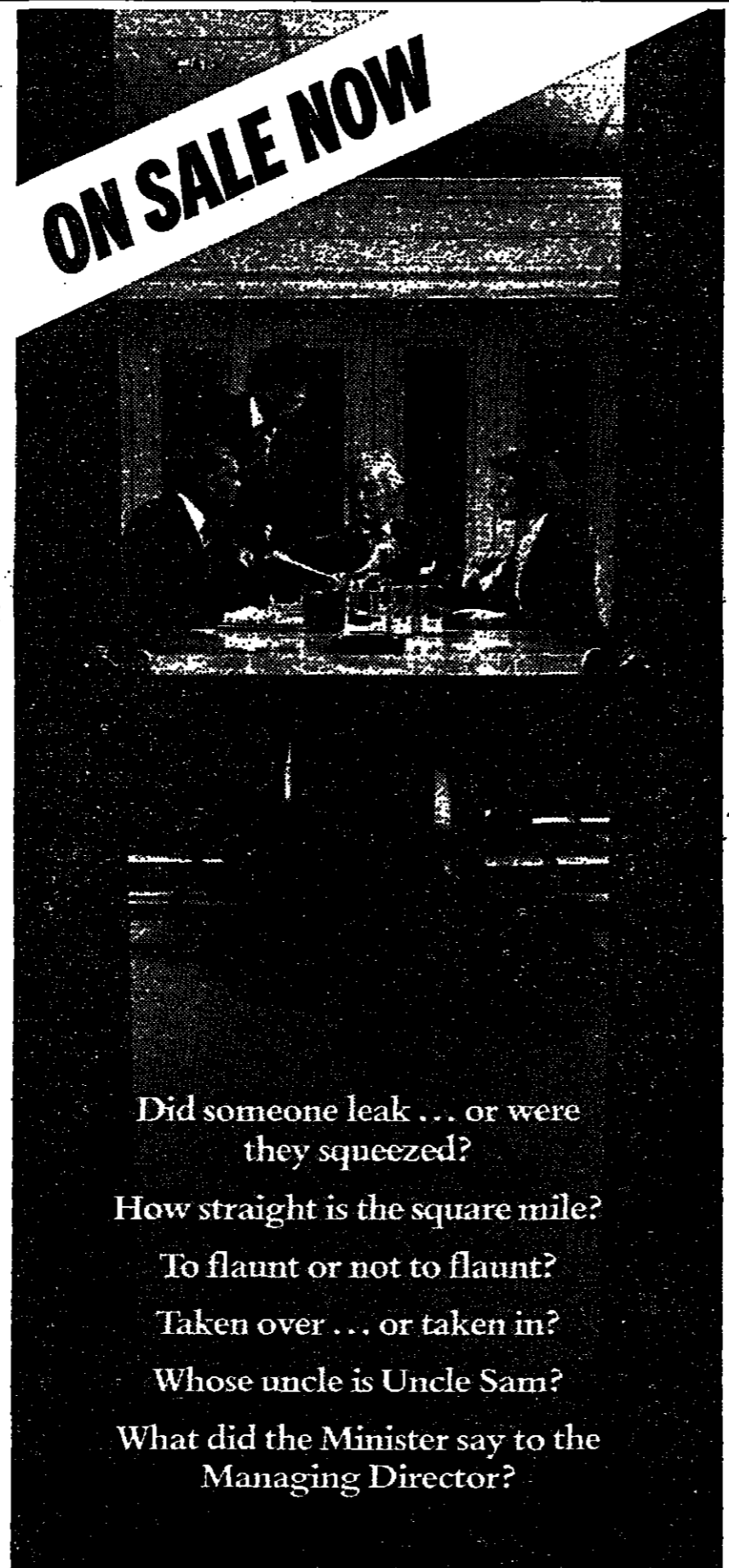
Mr John Lichtblau, president of the New York-based Petroleum Industry Research Foundation says that the likelihood of some form of oil tax is "fairly good" and Mr Barbara Kates-Garnick of Cambridge Energy Research Associates, describes it as: "A much more realistic possibility than it was a few months ago." The chance that the US might



tax oil imports injects yet another uncertainty into the world's volatile oil markets and is being watched with considerable unease by other oil producers. If the US were to impose a \$5 per barrel tax on imported oil it would tend to displace imports with local production and add to the world's current oil glut. Mr Charles Maxwell, a leading oil analyst with the Wall Street firm of Cyrus J. Lawrence, says: "If the US Government's aim is to bring down the world oil price to \$8 to \$9 per barrel, one of the fastest ways of doing it would be to impose a \$20 per barrel import fee." While it is far from obvious that the Administration has any

ing in the opposition of the Administration. Mr James Baker, the US Treasury Secretary, said recently that President Reagan had "left the door open" to the possibility of an oil import tax or a gasoline tax as long as they came in "the context only of a revenue-neutral tax reform Bill." The US, which accounts for about a quarter of world oil consumption, uses just over 16m barrels a day (b/d). On this basis, a \$5 per barrel tax on US oil imports would raise about \$8bn a year and would not increase retail prices if it was imposed before the impact of lower oil prices had time to seep through to the rest of the economy. It can also be sold as a conservation measure because it does not encourage consumption and it could help save some of the weaker players in the US oil patch from going out of business. Mr Ralph Bailey, chairman of Conoco, sums up the official oil industry position: "It would invite retaliation, it would add to inflation and, although the tax would cause an increase in the price of US-produced oil, if anyone believes the Federal Government would allow us to keep any portion of this money—he probably also believes in the tooth fairy." However, there are signs that some of Conoco's rivals in the industry, such as Texaco, are

beginning to have second thoughts. US previous attempts to control energy prices have been a bureaucratic nightmare and an import tax is likely to present the Administration with awkward choices. It draws 45 per cent of its imports from three close neighbours—Mexico, Canada and Venezuela. Any US import tax would exacerbate their serious financial problems. Inside the US any proposal to impose an import tax would be strongly opposed in the north east of the US, which use large amounts of heating oil. Industry is also likely to put up a fierce fight against an oil import fee. Six months ago, proposals for an oil import tariff quickly crumbled under the combined weight of official opposition and Congress' unwillingness to increase domestic energy costs. Since then oil prices have halved, the Administration needs to find extra tax revenues to reduce its massive budget deficit, and there are growing concerns about the impact of lower oil prices on the long-term health of the US oil industry and energy conservation. It would be too early to describe an oil import tax as an idea whose time has come. But it is an issue which will be the focus of an increasing amount of controversy over the next few months if there is no recovery in the price of oil.



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INTERNATIONAL PROPERTY REVIEW
THE FT EVERY FRIDAY

OVERSEAS NEWS

Marcos invested heavily in US, say investigators

BY PAUL TAYLOR IN NEW YORK

US congressional investigators and others believe Mr Ferdinand Marcos, the ousted president of the Philippines, and his family diverted hundreds of millions of dollars abroad, much of it into US property holdings.

These personal assets, which are said to include property in New York alone valued at about \$350m, are expected to be the subject of a fierce battle by the new Philippine Government whose US advisors have already indicated that they will use whatever legal means are available to recover them.

The Marcos family has steadfastly and repeatedly denied allegations that they illegally built up a huge overseas investment empire valued by some at about \$3bn—during the Marcos regime.

However, congressional investigators and Marcos critics have managed to build up a sketchy picture of what they claim are substantial property holdings in the US including a handful of valuable New York properties such as the Crown building on Fifth Avenue, 40 Wall Street, 200 Madison Avenue and the Herald shopping centre in Midtown Manhattan said to have been acquired in 1981 and 1982.

These properties are managed by New York Land, a New York property development company owned by two Philippine raised brothers, Mr Ralf and Mr Joseph Bernstein.

Earlier this week US newspapers reported that the Bernstein's had exercised options to acquire three of the



Mrs Imelda Marcos... built up holdings secretly

Manhattan properties for \$250n.

New York Land has refused to name the owners of the property and has denied any link with the Marcos family. New York Land emerged on the New York property scene in 1982 when it began managing the Crown and Wall Street buildings for unidentified foreign owners which Mr Joseph Bernstein, a lawyer, had represented in the purchase. Yesterday Mr Joseph Bernstein failed to return a telephone inquiry.

Details of the alleged Marcos holdings have mainly emerged in recent hearings held by the Asia and Pacific Affairs Subcommittee of the House Foreign Affairs Committee chaired by Mr Stephen Solarz, a New York

Democrat and long-time Marcos critic. Mr Solarz has said he plans to introduce legislation allowing foreign governments to use the US courts to retrieve assets obtained illegally from overseas corruption or bribery.

According to testimony taken by the committee, the Marcos family property holdings in the US were built up in secret by Mrs Imelda Marcos, wife of the ousted Philippine President, using companies registered in the Netherlands Antilles and other offshore financial centres.

During testimony it was alleged that negotiations over the possible sale of the properties took place during a series of secret meetings at Mrs Marcos' upper east side Manhattan house during 1984. The aim of the meetings, which are said to have involved bankers and lawyers, was to reassure Mrs Marcos about the holdings and ensure she made a substantial profit on the properties. According to one lawyer, Mr Barry Knox, who gave testimony before the committee the properties were given codenames like "Midtown Cement," "Faragana," and "Bridgetown" in telexes sent to Manila, and Mr Joseph Bernstein was referred to as "Lafayette."

Mrs Marcos is also said to own the Lindemere, a 10-acre estate and mansion valued at \$19m in Center Moriches, a fashionable resort area on Long Island. The property was bought in 1981 for \$5m and modernised for about \$3m.

Monetary authorities had admitted that substantial amounts of US dollars had been remitted into the country

The plot against Mr Enrile was apparently motivated by disgust over his role in the toppling of Mr Marcos.

The Defence Minister's security forces also arrested the mayor of Laoag City, Mr Rodolfo Farinas, a supporter of Mr Marcos's son, Ferdinand, who is governor of Ilocos Norte province.

At the time of his arrest, Mr Farinas was waiting to see Mr Enrile who was then holding a press conference. Security officers traced the cars to a car park near Mr Enrile's headquarters and arrested eight other people.

Two of the suspects were policemen of Laoag City. The rest were believed to be members of Mr Farinas' paramilitary force.

Mr Enrile's security forces had been on alert since last weekend when he and the deputy chief of the armed forces, Lt-Gen Fidel Ramos, led a revolt against Mr Marcos' government.

Plot to kill defence minister uncovered

AN APPARENT assassination plot against Mr Juan Ponce Enrile, the Philippine's new Defence Minister who broke away from the Marcos Government, was discovered yesterday at his headquarters in suburban Manila.

The plot, involving a friend of Mr Marcos's son, surfaced a few hours after a separate incident in which police seized a van registered with the deceased president's office carrying 13 wooden crates containing crisp 100 peso bills.

The money, estimated at more than Pesos 100m (\$3.1m), was taken by the van from a ship repair yard said to be owned by Commodore Alberto Romualdez, brother of Mrs Imelda Marcos, Mr Marcos' once-powerful wife.

According to the police, the notes were to be brought to Mr Romualdez's house in the Makati financial district. Mr Romualdez operates the Manila casino.

An investigation is under way, but it is widely believed the money was the unspent part of an estimated election war chest of several hundred million dollars. It is believed to be part of a local currency conversion of unexplained US dollar remittances into the country last year.

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Company chiefs to discuss S. Africa

BY MICHAEL HOLMAN

CHIEF executives from leading companies in Britain, the US and South Africa are due to meet at Leeds Castle, Kent in Britain, early next month to discuss the deteriorating political climate in the country.

The meeting on March 8, to be chaired by Mr Edward Heath, the former British Prime Minister, has been organised by Rev Leon Sullivan, an American clergyman who in 1977 helped frame a code of business conduct for US companies operating in South Africa.

Neither Mr Heath nor Rev Sullivan were prepared to comment yesterday on the planned meeting, which is to follow up to a similar gathering one year ago. "It gives an opportunity to exchange views on South Africa on a confidential basis," said a spokesman for one of the companies due to participate.

Those invited are thought to include General Motors, Control Data, International, Mobil Oil, and Goodyear. Further from the US: Barclays Bank, Shell UK, Rio Tinto from Britain; and Premier Group, Barlow and Anglo Vial of South Africa.

A two-day strike by at least 12,000 black miners at the Vaal Reefs gold mine, 160 miles west of Johannesburg, reached an impasse yesterday as talks resumed between the National Union of Mineworkers and management, Jim Jones reports from Johannesburg.

The NUM has demanded the unconditional release of nine men being questioned by police investigating the murder of four senior black mine employees on Tuesday last week. Management said the demand was unacceptable and outside its control. Police said the nine men were due to appear in court today.

The strike has cut production at South Africa's second largest gold mine by about one-third, with production losses running at an estimated Rands 2 million a day. Vaal Reefs is managed by Anglo American, South Africa's largest mining house.

Mr Jan Steyn, chairman of South Africa's Urban Foundation, an industrial business-funded pressure group for reform which funds black housing and business projects, is also expected to attend.

Mr Sullivan is expected to give the opening address, reviewing developments since the group last met in the past 12 months over 700 people, mainly blacks, have died in political unrest in South Africa. The business community, both local and international, have expressed growing concern about the slow pace of political reform under President P. W. Botha.

Rev Sullivan, on the board of General Motors and one of the leading anti-apartheid activists in the US, has urged companies operating in South Africa to take an overt political stance in their opposition to apartheid. Last week GM's South African subsidiary declared that it would provide legal aid for employees at its Port Elizabeth plant should they defy

laws which segregate the city's beaches.

The US business community is coming under increasing pressure from anti-apartheid groups. The Washington-based TransAfrica movement, led by Randall Robinson, has followed up a year-long protest demonstration against the South African embassy in the city with a call for the boycott of Shell products in the US.

It already advocates divestment of the country's main apartheid laws are not repealed by spring next year.

The meeting was condemned last night by a spokesman for Britain's Anti-Apartheid Movement. "It is an attempt by foreign business to determine the future of South Africa without reference to those who will be most affected, namely the black population."

Anti-apartheid protesters outside branches of Barclays, Foreign Business, Midland and Hill Samuel banks in 50 British centres yesterday. The banks were singled out because they are among the biggest lenders to South Africa.

Iran attacks seen as preparation for major offensive against Iraq

BY TONY WALKER IN TEHRAN

IRAN APPEARS to be positioning itself for further strikes against Iraq, according to military analysts who say the country has already made, according to military attaches in Tehran.

Unconfirmed reports yesterday said Iranian troops had opened another front against Iraq on the Faw peninsula, attacking from positions east of Basra, Iraq's second largest city.

Meanwhile, Iran is claiming successes in its drive across the border into north-east Iraq, near the city of Sulaimaniya, about 80 km east of a major Iraqi oilfield at Kirkuk.

An experienced military observer in Tehran says the attack more than two weeks ago against the Faw peninsula at the northern end of the Gulf and Monday night's crossing of Iraq's north-east border as part of a careful preparation for a much bigger operation against Basra.

He said there were about 600,000 revolutionary guards, army regulars and volunteers massed ready to launch such an offensive if circumstances on the Faw peninsula were favourable. This would depend, he said, on whether Iran maintained its hold on the disputed Iraqi oil town of Faw and was able to drive back Iraqi troops who

have staged counterattacks. The operation around Sulaimaniya is seen in part as a diversionary tactic to remind the Iraqis that Iran is capable of making a nuisance of itself in a number of locations along the two country's several thousand kilometres.

"The pattern of the war now is that Iraq is being pushed back," said a military attaché, who observed that, in crossing onto the Faw peninsula, Iran had achieved three objectives. These were that it was threatening to cut Iraq off from the Gulf, that it had put out of action a big radar and missile complex which threatened shipping into and out of the nearby Iranian port of Bandar Khomeini at the head of the Gulf, and that it had served notice on Kuwait that there may be heavy costs for its continued support for Iraq.

The attaché said Iraq had missed an opportunity to retake Faw in the first several days after it fell. A violent counter-attack was now needed, he said, including virtual hand-to-hand combat.

"If Iraq can't push them (the Iranians) back from the north-east and from Faw, there is nothing to stop them attacking elsewhere," he said. "They don't have a manpower problem."

Further successes on the Faw peninsula may encourage Iran to try an all-out onslaught against Basra. Convoys of a rout of Iranian troops in Faw would be a serious embarrassment for the authorities who have been trumpeting the success of the Faw operation.

Thousands held in India strike

By K. K. Sharma in New Delhi

LARGE numbers of workers stayed away from work yesterday and 5,000 people were arrested in 16 of India's 23 states in response to an opposition call for a day's token general strike to protest against recent price rises.

The general strike was nearly total in Karnataka and Andhra, two southern states ruled by opposition parties, and evoked a mixed response in 14 other states. Five states, including Punjab and New Delhi, were exempted from the strike since they have already organised separate protests against the price hike.

More than 5,000 people were arrested in picketing and obstructing rail and road traffic, but no major violence was reported. In all states, shops, offices and educational institutions remained closed. Buses did not run in most towns.

In New Delhi, thousands attended a rally organised by the opposition to hear politicians denounce the Government for the price rises. A nationwide movement to fight the Government's economic policies was threatened.

The Government raised prices of foodgrain, fertilisers and petroleum products earlier this month. This is the first time opposition parties have united to organise a protest against Mr Rajiv Gandhi since he took over as Prime Minister in October, 1984.

The Government faces further criticism following the rise in passenger fares by the state-owned Indian Railways yesterday, when the annual railway budget was presented to parliament. The higher fares will raise an additional Rs 790m in revenue.

Prime Minister Gandhi yesterday faced further trouble from his own Congress-I Party over a bill on the rights of Moslem women.

Mr Arif Mohammed Khan, Minister of State for Energy, resigned in protest over the bill which gives Moslem women limited claims on their husbands after divorce. The parliamentary party is to meet today to discuss the controversy.

At least 12 people were injured yesterday when police opened fire and used tear gas to disperse an angry crowd in Jammu and Kashmir fuelled by Hindu-Muslim tensions, Reuters reports.

The Press Trust of India quoted an official spokesman as saying the Government of the Moslem-majority northern state had asked the army to stand by to quell rising violence, arson and looting.

Lange attacked for content of Queen's speech

NEW ZEALAND'S Labor Prime Minister David Lange was accused yesterday of drawing Britain's Queen Elizabeth II into the controversy over New Zealand's anti-nuclear policies, AP reports from Wellington.

In a speech prepared for her by the New Zealand Government at the opening of Parliament's 1986 session, the British monarch outlined legislation to ban nuclear-armed ships from New Zealand and said the policy was not intended to weaken its security alliance with the US and Australia.

New Zealand wishes to retain and extend the long-standing friendship existing between the two countries," she said.

Nevertheless it is acknowledged that the special character of the Anzus alliance is the subject of dispute with the US," she said in her speech from the throne.

Mr Jim McLay, the Opposition leader, said the Government had been insensitive to include such controversial material in the speech outlining the year's legislative programme.

Sabah assembly dissolved to pave way for elections

BY WONG SULONG IN KUALA LUMPUR

Christian dominated Government in the oil and timber-rich east Malaysian state Sabah yesterday dissolved the state assembly to pave the way for elections aimed at breaking a 10-month political impasse.

Calling for new polls, Datuk Pairin Kitingan, the Chief Minister, appears to be governed by the fact that the ruling Party Bersatu Sabah, PBS, runs the risk of losing control over the state assembly following attempts to entice several PBS assemblymen to defect.

There is also a danger that on April 15 the high court, in favour of Tun Mustapha, the moslem opposition leader, in his suit seeking a court order that he, rather than Datuk Pairin, is the legal Chief Minister.

The PBS has greatly improved its organisation after 10 months in power, and recent by-elections have demonstrated the party's ability to attract support, not only in the Kadazan and Chinese areas, but

also in the moslem constituencies.

Datuk Pairin's PBS unexpectedly swept to power, winning 26 of the 48 contested seats in last April's state elections which saw Sabah's voters sharply divided along racial lines.

Since then, his administration has been immobilised by a series of court gubils, while the federal government in Kuala Lumpur is exerting pressure for it to take the moslem-based United Sabah National Organisation into a coalition government.

Datuk Pairin survived an attempt to undermine his Government when he flew back to Kota Kinabalu from Kuala Lumpur on Tuesday and succeeded in persuading several PBS assemblymen from crossing over to the opposition. Two had crossed over and more might do so if the assembly is not dissolved.

Sabah joined the Malaysian federation in 1963, but the state is also being claimed by the Philippines.

Hong Kong growth falls to 0.8%

BY DAVID DODWELL IN HONG KONG

HONG KONG'S gross domestic product (GDP) grew by a bare 0.8 per cent in 1985, compared with 9 per cent growth in 1984, and early forecasts of a 7 per cent improvement, according to Sir John Bremridge, Hong Kong's Financial Secretary, who yesterday unveiled his last budget before retiring in June.

If population growth of 1.2 per cent over 1985 is taken into account, then per capita GDP fell in real terms for the first time in many years—by 0.3 per cent. At the end of the year, per capita GDP was HK\$5,100 (US\$4,213) and was forecast to grow this year by 9 per cent in nominal terms to HK\$5,870.

Of solace to Sir John was a HK\$88m budget surplus in 1985—the first surplus during his turbulent five-year term—which compared with a forecast deficit of HK\$60m.

Sir John has forecast a budget surplus for the year ahead of HK\$350m, with GDP growth of 4.5 per cent. The economic growth forecast assumes a 6 per cent rise in exports, which in turn is based on the assumption that a weakened US dollar

Singapore is to impose a two-year wage freeze, cut taxes and increase contributions to a compulsory savings scheme for employees as part of a package aimed at pulling the country's economy out of its worst economic slump for 20 years, writes our foreign staff.

Mr Goh Chok Tong, Singapore's first deputy Prime Minister, announcing the measures in parliament yesterday, said the Government would also boost spending on public projects to stimulate growth. Singapore's economy shrank by 1.7 per cent last year following 8.3 per cent growth in 1984.

Among the measures were: —to which the local currency is linked — will improve Hong Kong's export competitiveness. For local companies, the repeal of a tax introduced two years ago on interest earned on offshore deposits marked a significant concession following what Sir John described as "absurd levels of dispute" over the tax. Bank licence fees will

rise 20 per cent from HK\$300,000 to HK\$360,000. In a move to encourage the issue of local corporate bonds, the Government dropped stamp duty on a number of bearer instruments. This should help boost local capital market activity.

Sir John's vision of expected growth in 1986 assumes a 10 per cent improvement in exports to the US, after a 7 per cent fall in 1985. He is counting on a number of moves, including improving by 5 per cent to West Germany by 18 per cent, and Japan by 16 per cent, after falls ranging from 12 and 18 per cent in 1985 to those markets.

Local analysts see these projections as optimistic on a number of counts, and say they take no account of moves in the past week by the US Administration to freeze Hong Kong's textile exports to the US at 1985 levels for the next three years. Sir John conceded also that forecasts depended critically on the assumption that the US dollar will remain weak during 1986.

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THE STANDARD OIL COMPANY

Insuring against US lawsuits 'another barrier to trade'

By Christian Tyler, Trade Editor

THE COST of insuring against customers' lawsuits in the US has become another barrier to trade, according to some British companies.

A number of them have been unable to sell their goods in the American market because they can no longer obtain cover, according to the London Chamber of Commerce yesterday.

Others have pulled out because of the high premiums being demanded.

Fewer underwriters were prepared to take the risk, and rates had become so high as to be "detrimental to business". The problem has already become acute for US companies in their own market, and there is talk of US Federal legislation to put a cap on a product liability.

The London Chamber is sending a mission to Washington today to gather information on this and other legislative programmes that could affect British business.

According to members of the mission yesterday, the cost of insuring against claims for allegedly faulty products is becoming prohibitive over a wide range of goods, from pipeline seals to food and pharmaceuticals.

US companies were paying anything up to \$250,000 (£173,000) a year for such insurance before the London market in primary insurance of this kind dried up some six months ago, according to Price Forbes, the US arm of the Sedgwick Group, the international insurance brokers.

But the market for "excess insurance" — dealing with claims of around \$2m and upwards — was still operating because such risks were cross-subsidised by other businesses.

Price Forbes, whose customers are mainly US companies, said the London market for primary insurance of product liability could re-open this year, however.

Mr Richard Peel, of London solicitors Halsey Lightsey and Hensley who is leading the Chamber mission, said the aim was to establish a regular dialogue with US counterparts and officials to keep British companies abreast of developments in Britain's biggest export market.

Other items on the mission's agenda include US state barriers to the establishment of British professional or service operations, proposals on US tax reform that could affect British investment trusts and insurers, anti-dumping legislation, national procurement policies and state unitary taxation.

Hong Kong exporters warned on Saudi trade

By David Dodwell in Hong Kong

HONG KONG exporters should take particular care in trade dealings with Saudi Arabia, where the steep fall in oil revenues has led to several buyers having payments difficulties, Hong Kong's Export Credit Insurance Corporation warned yesterday.

Mr S. Y. Chey, the corporation's acting commissioner, said that nine Hong Kong companies issued through the corporation had recently reported that Saudi buyers had asked to renegotiate payment terms, or were seeking more time to pay. A further six had reported payments difficulties.

The corporation said that the recent steep fall in oil prices called for extra caution in dealings in many Middle Eastern markets. It warned that differences between the Islamic legal system, and that used in Western economies, meant that debts were often hard to pursue in many Gulf states.

It also noted that Saudi Arabia's oil exports have fallen from 10.2m barrels a day in 1981, to 2m barrels a day, with the country's Gross Domestic Product falling for four successive years.

GE consortium wins China power contract

By Robert Thomson in Peking

A CONSORTIUM headed by General Electric of the US last night signed a contract worth just over \$365m (£260m) for equipment for two thermal power stations in China.

Under the contract signed with the state-run Huaneng International Power Development Corporation, established specifically to handle foreign participation in China's energy development programme, the consortium will provide four 330 Mw generating units for the plants.

GE will supply steam turbines. Its partners in the deal, the result of about six months' negotiation, are Canada's Babcock and Wilcox

CHINESE trade officials have told Mr Charles Carlisle, the US textile negotiator, that Peking would like to see the Multi-Fibre Arrangement (MFA) abolished, U.S. officials said, agencies report.

Mr Carlisle is on a four-nation tour explaining the Reagan Administration's textile policies.

Negotiations begin soon in Geneva on renewal of the agreement, which expires in July. The agreement controls a large part of world trade in textiles and clothing which are China's second most important export after oil. Sales to the US last year reached \$1.48bn (£1bn).

"Like all other developing countries that are textile exporters, the Chinese would like no restrictions at all," a US official said.

industries, which will provide the boilers at a cost of around \$140m, and Italy's Ansaldo group, the engineering subsidiary of Italy's IRI-Piameccanica state company, which

said its part of the contract will total around \$150m.

Ansaldo will design and supervise construction of the plants and supply the machine hall, electric systems, auxiliary

circuits, control room and coal handling equipment. General Electric will supply the turbo-alternators and Babcock and Wilcox the boilers.

The two power plants are to be built in Shijiazhuang in Hebei Province in the north, and Nantong in Jiangsu Province, near Shanghai. The plants are expected to come into operation in about 1988.

At the signing was the Chinese Vice-Premier, Li Peng, who said the contract was an important step along the way to easing China's acute power shortage. Energy and communications have been listed as "key" development areas in the seventh Five Year Plan (1986-

1990).

Li has been given the task of overseeing China's energy programme. Huaneng, which is expected to sign several more foreign contracts this year, has board members from the Bank of China, the State Planning Commission, and the Ministry of Foreign Economic Relations and Trade.

The executive vice-president of GE, Mr Paul Van Orden, said he hoped the consortium would have a long-term role in the development of China's energy facilities. The consortium is also bidding to supply equipment for stations in Dalian, in the north, and Fuzhou, in the south.

West Germany presses for nuclear station order

By John Davies in Frankfurt

WEST GERMANY is continuing its efforts to win a nuclear power station contract in China, but fears it may have a lengthy wait for a decision.

Meanwhile, the West Germans have taken steps to meet some demands linked by the Chinese to the deal, including the controversial question of despatching spent nuclear fuel to China.

At stake in the negotiations is an order for two 1,000 MW reactors for a power station at Sunan, 130 km from Shanghai. Kraftwerk Union (KWU), a subsidiary of the Siemens electrical

group, is fighting hard for the contract, with backing from the Bonn Government.

Mr Klaus Barthel, KWU's chief executive, said that his company had long since learnt that "things mature much more slowly than we would like," in China. KWU hoped its efforts would succeed, but "nothing is more embarrassing than rejoicing too soon."

About 50 engineers and a board member are in China to try to push ahead negotiations, which are concentrated on arranging local suppliers and contractors in China to help

build the project.

Much of the Sunan project would be financed through a countertrade operation—involving the export of Chinese non-ferrous metals—which has been put together by Metallgesellschaft, the Frankfurt-based metals, mining and trading group.

Mr Barthel indicated that even if the Chinese did not award a contract to KWU, West Germany would import non-ferrous metals and uranium from China.

The Chinese have also been pressing West Germany to send

large quantities of spent nuclear fuel from German nuclear reactors to China for storage and possible reprocessing—a proposal that the West Germans have not found very attractive.

Mr Barthel said that West Germany was willing to send a total of 150 tonnes of spent nuclear fuel to China. But it was not prepared to send large amounts, as it had begun to build its own plant to reprocess spent nuclear fuel at Wackersdorf in Bavaria.

It is understood that West Germany would start shipping spent nuclear fuel to China

towards the end of the 1980s if KWU received a nuclear power station contract.

Framatome, the French nuclear reactor company, is also interested in the Sunan project, and although it has long been suggested that the West Germans would be chosen, KWU is taking French competition seriously.

Late last year, Framatome reached agreement in principle with the Chinese for the supply of nuclear reactors for the Daya Bay power station, which is to generate electricity for Guangdong Province and Hong Kong.

Saudis still expect UK jets offset investment

By Richard Johns

A REMINDER that Saudi Arabia still expects a substantial UK investment in return for the supply of 132 aircraft by British Aerospace under the recently signed \$5bn government-to-government deal was given yesterday.

Prince Fahd bin Abdullah, Deputy Minister of Defence, was quoted by the Jeddah publication Arab News that the Kingdom's "off-set programme" would be applicable to the deal. It required companies winning large contracts to re-invest 35 per cent of their worth in joint ventures.

A statement of intent by the British Government was made when the memorandum of understanding on the aircraft package was initiated last September, but conclusion of the actual deal was not made conditional on any specific pledge.

There is some scepticism whether viable projects can be found and the hope in Whitehall has been that Riyadh will

not press the issue too soon or too hard.

Boeing and General Electric of the US have gone far in implementing the "off-set programme" in connection with nearly \$4bn worth of contracts for the Peace Shield communications, command and control system for the Saudi Armed Forces. Those were conditional on offset investment projects.

They and their bankers are believed to have identified the most obvious viable projects of interest to the aviation industry.

Prince Fahd said that 12 in all had been proposed, 11 by Boeing and one by General Electric, which would involve an investment by the American companies and Saudi partners in 50:50 joint ventures amounting to \$75m by 1989 and \$1.27bn by 1995.

The Deputy Minister of Defence was quoted as saying that the Saudi Government was considering applying the off-set investment concept to major civilian projects.

Pechiney signs bauxite unit pact with China

By Paul Betts in Paris

PECHINEY, the nationalised French aluminium and metals group, has signed a technical assistance agreement with China to construct a bauxite digestion unit at the Chinese aluminia plant being built at Hejin in Shanxi province.

The technical agreement is significant for the French group because it further strengthens its presence on the Chinese market and boosts its chances of winning major orders.

Pechiney, which is seeking to expand in the Far East markets, is eyeing a major aluminium smelter project in China running into several billion dollars.

The French company is discussing with the Chinese the construction of a major smelter at Pingguo. Pechiney officials have warned, however, that the discussions which started in 1978 are likely to be long.

The new technical assistance agreement for the bauxite digestion unit will produce 600,000 tonnes a year of alumina at Hejin before the end of the decade.

Pechiney hopes the agreement will be the way for other technical accords in China

IBM subsidiary plans French joint venture

By David Marsh in Paris

THE FRENCH subsidiary of International Business Machines is discussing setting up with Paribas, the French state-owned financial group, and Semas-Extra, one of the country's top software companies, a joint venture to market advanced communications services in France.

The planned move by IBM into the area of value-added information services in France forms part of a general effort by the US computer giant to profit from gradual steps towards deregulation in the French telecommunications industry.

Paribas said yesterday that the three companies had been in contact for a year on the project and it was now at "an advanced stage."

The formal green light from the Direction Generale des Telecommunications (DGT), the country's telecommunications authority, had however not yet been given.

Total investment in setting up the joint venture would be about Fr 600m (£80m) which could be shared with other investors, a Paribas spokesman said.

Ericsson in \$108m Latin America phone deals

By David Brown in Stockholm

L. M. ERICSSON, the Swedish telecommunications and electronics group, has announced it has won orders for telephone exchange equipment and transmission systems from Guatemala, Mexico and Ecuador with a total value of \$108m (£77m).

Telemex, the Mexican public telecommunications administration (PTT) has ordered analogue and digital transmission equipment as well as an analogue exchange worth a total \$67m from the group's Mexican subsidiary, Telemex-Ericsson SA.

The bulk of this equipment will be manufactured at the group's facilities in Mexico, with deliveries to start this year.

The largest single order worth a total \$30m was awarded, by Guatel, the Guatemalan PTT. The contract covers several digital local AXE-ex-

changes with remote subscriber units, transmission equipment and an operation/maintenance centre.

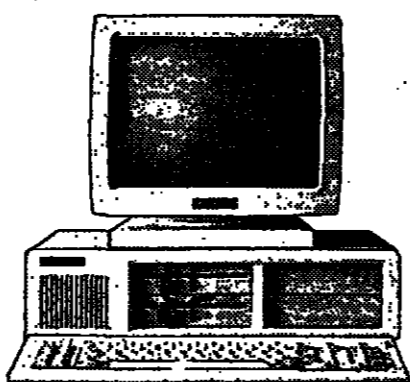
This equipment, to be delivered in the second half of this year, will be produced at Ericsson's Italian production subsidiary, Farnese.

Letel, the Ecuadorian PTT, has placed two orders worth \$11m for three local AXE digital exchanges which are to be produced in Sweden, and for equipment to extend eight Ericsson analogue exchanges. These will be manufactured by the group's Mexican subsidiary.

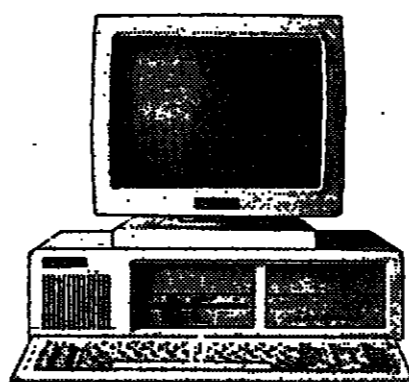
Ericsson sales of AXE exchanges have reached 13.7m lines—772 exchanges in 64 countries. The group claims a 9 per cent overall world market share in telecommunications equipment. In Latin America, however, it controls over 50 per cent of the market.

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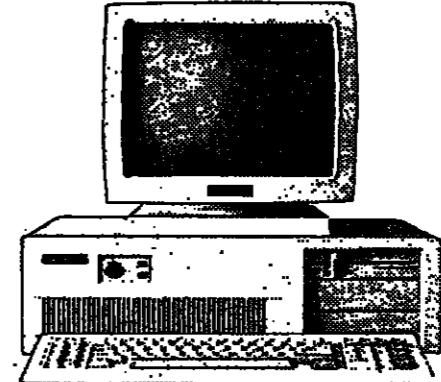
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UK NEWS

GEC allowed extra time on Nimrod project

BY BRIDGET BLOOM AND KEVIN BROWN

GEC AVIONICS is to be given an extra six months to prove it can develop the controversial Nimrod early warning aircraft to the RAF's satisfaction. The aircraft is already three years late in entering service and has cost nearly £1bn.

The Ministry of Defence has confirmed that, at the same time, it is to seek quotations for alternative aircraft from US suppliers - principally Boeing, Grumman and Lockheed.

The decision, announced by Mr Norman Lamont, Minister for Defence Procurement, in the House of Commons yesterday, puts at least a temporary stop to many months of uncertainty about Nimrod. At one point, the project appeared in danger of cancellation.

The agreement with GEC came late on Tuesday night. It involves a new contract for the next six months, as well as outline terms for completion of the work on 11 aircraft if the Government were to decide next September to continue with Nimrod.

Until then, GEC Avionics will be made prime contractor for the project. Funding will be shared between the company and the Defence Ministry on a 50-50 basis up to a total of £50m.

The tough new terms for completion of the whole project would involve a fixed-price, fixed-term contract, probably of two or three years.

Officials suggested yesterday this would result in the production of two or three prototypes which would take 12-18 months to fit out the remaining aircraft.

The company would pay half the costs until work was completed to the RAF's satisfaction and it would meet all cost overruns.

GEC last night welcomed the ministry's decision to seek alternative solutions, which it said would make it easier to judge whether the company's offer was fully competitive. It said it was confident that it could meet the RAF's requirement at an acceptable cost.

The Government has four possible alternatives to Nimrod. It could purchase early warning aircraft from Boeing (the E3A AEWCS or advanced warning and control system aircraft), from Grumman (the Hawkeye E2C) or from Lockheed (the Orion P3-C). All of these could form an independent British early warning force.

It could also participate in the Nato AEWCS fleet, presumably through the acquisition of extra aircraft which would then be run jointly with the US and European allies.

The Defence Ministry will shortly issue what it terms a "cardinal points specification" to all interested companies, including GEC. It hopes to evaluate the responses and take a decision by early September.

Defence officials yesterday stressed that the RAF has not altered its stringent performance requirements first laid down in 1977, when Nimrod was initiated by the Labour Government at that time. The first aircraft were then expected to be in service in 1982, at a cost of about £30m.

Officials yesterday said that costs on an historic basis had doubled, although in 1985-86 prices, £882m had been spent on the project up to the end of last November.

MPs from both sides of the Commons claimed the Defence Ministry was partly responsible for problems with Nimrod because of changes in the specifications and poor supervision of the contract.

Mr Lamont said the problems reflected shortcomings in the management of defence procurement, which were being tackled by new arrangements for evaluating development work.

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Militants set for expulsion by Labour

By Margaret van Hattem

LABOUR'S national executive committee (NEC) yesterday accepted, by 19 votes to 10, a report which finds that the Militant Tendency, the extreme left organisation, is breaching the party's constitution. It points the way to the expulsion of leading Militant supporters from the Labour Party.

Mr Larry Whitty, the party's general secretary, is now empowered to draw up formal charges against 16 Militant supporters, based on evidence collected by a nine-member NEC inquiry. The 16 will be invited to put their case at the NEC's next meeting in March, but their expulsion is widely considered inevitable.

The report was approved at a stormy meeting which lasted most of yesterday. It details the many ways in which the Militant dominated Liverpool District Labour Party has been disregarding party rules; and it recommends that the party be disbanded and rebuilt.

An angry crowd of Militant supporters, including six coach-loads from Liverpool and estimated at around 600 in all, packed the pavements outside Labour's Watworth Road headquarters in south London throughout the meeting and jostled NEC members as they arrived.

Both Mr Neil Kinnock, Labour leader, and Mr Roy Hattersley, deputy leader, were seated and pushed as police escorted them through the crowd into the building.

The meeting was punctuated by bitter clashes between Mr Kinnock and left-wingers including Mr Tony Benn, Mr Dennis Skinner and Mr Eric Heffer. At one point Mr Heffer said Mr Kinnock's attacks on the Militants was "unforgivable," while Mr Kinnock said Mr Heffer lacked courage.

Mr Kinnock afterwards dismissed suggestions that he had backed the report for purely electoral reasons. "I'm not even considering the electoral costs and losses, or benefits and advantages," he said. "It's just the right thing to do."

"When there is substantial evidence that party members are in breach of the constitution, we must take action to put them out. We are a serious political party, not a far-run where anyone can join in. The party has generous boundaries, but they are boundaries and they must be defended."

However, Mr Heffer, whose position as a left-wing Liverpool MP has encouraged him to accommodate the Militants, later dissociated himself from the NEC's decision. In a speech to the demonstrators as he left the meeting, Mr Heffer cried, "I believe comrades who have a different point of view have a right to be in our party, and I will always support that right."

Militants have threatened to resist expulsion procedures, in the courts if necessary, and the party looks set for a prolonged bout of internal in-fighting.

BRITAIN REAPS BENEFIT OF SURGING OIL EXPORTS

Current account surplus at three-year high

BY GEORGE GRAHAM

SURGING OIL exports helped Britain last month to record its highest current account surplus for three years. Visible trade moved out of deficit, while the balance of invisible trade climbed to nearly twice December's surplus.

The current account of the UK balance of payments, including both visible and invisible trade, showed a surplus of £1.14bn in January, the Department of Trade and Industry announced yesterday. The surplus for the month was as high as that recorded in the whole of the last quarter of last year and only £5m

below the highest ever level, recorded in March 1983.

The Government is forecasting a current account surplus of £4bn this year, with a substantial forecast in oil trade and invisibles offsetting a deficit on trade in manufactures.

January's figures are inflated, however, by the payment of £510m of value-added tax (VAT) abatement from the European Community, which boosted the balance of invisible payments to an estimated £1bn in January. The current account surplus was also boosted by an unusually high surplus on oil trade in January. Oil exports totalled £3m

tonnes, 26 per cent higher than the average monthly level in 1985, while imports were unusually low. This left a surplus in oil trade of £97m compared with the average monthly surplus in 1985 of £88m. The average value of oil exports in January was £138.40 a tonne. This was 25 per cent below its level a year earlier.

The favourable balance on oil trade contributed to a surplus on the total visible trade account of £14m, compared with an average monthly deficit in 1985 of £170m.

If oil and some other erratic goods - such as ships and precious stones - are excluded, the underlying trade performance is weaker, however. British exports in January fell 7 per cent from December's level to £4.53bn, while imports fell 2½ per cent to £3.47bn. In volume terms, exports in the last three months stood ½ per cent below the same period a year ago, while imports stood 4 per cent higher.

Government officials said the falling cost of imports would help to maintain downward pressure on UK inflation. The unit value of imports in the latest three months has fallen by 1½ per cent from the previous three month period, and by 6½ per cent from the same period a year earlier.

Case against PWR juggled, says power board chief

BY MAURICE SAMUELSON

LORD MARSHALL, chairman of the Central Electricity Generating Board (CEGB), last night accused the electricity industry in Scotland of "juggling" figures in an attempt to prevent Britain's first pressurised water reactor (PWR) from being built at Sizewell, Suffolk, on the east coast of England.

He said that the South of Scotland Electricity Board (SSEB), which favours the rival advanced gas-cooled reactor (AGR) system, was using different criteria to compare them with PWRs and that figures were being "juggled" to the detriment of the PWR.

The CEGB chairman's comments, before the all-party Energy Studies Group of the House of Commons, are the latest symptom of the rising tension in the electricity supply industry as it awaits the findings of the independent inquiry into the Sizewell application. The inquiry ended in April last year after running for 27 months. It was Britain's longest public investigation.

In a direct challenge to the SSEB's preference for AGR stations, Lord Marshall said AGRs continue to give "unpleasant surprises" and that "very careful study" convinced the CEGB that the PWR was the better buy.

Compared to an AGR, Sizewell B would save the electricity consumer £30m a year over its lifetime in low generation costs. Opponents of the PWR were comparing those estimates with optimistic target figures for a future AGR's performance and were not comparing like with like.

The SSEB has questioned the safety of PWRs and says that the latest AGRs have overcome the shortcomings of the first models.

As part of his pro-PWR campaign, Lord Marshall on Tuesday visited a Norwich company to which the CEGB has already awarded £4m worth of contracts on the assumption that Sizewell will be approved.

Teachers closer to wages deal

By David Brindle, Labour Brief

SETTLEMENT of the year-long teachers' pay dispute in England and Wales edged closer yesterday when the National Association of Schoolmasters-Union of Women Teachers (NASUWT), the second biggest union, declared a 68 per cent majority vote for acceptance of the terms provisionally agreed five weeks ago through the conciliation service Acas.

Uncertainty still surrounds the prospect of a firm deal being struck, however. Last night union leaders and employers were back at the London headquarters of Acas trying to sort out the disputed question of a return to normal working.

The National Union of Teachers, which represents just under half the 400,000 teachers involved in the dispute and which opposes the settlement, further clouded the issue yesterday with its own 67 per cent vote in favour of continuing disruptive sanctions although not strikes - in the event of a settlement carried by the other unions.

The NASUWT ballot result nevertheless clears the largest obstacle to ratification of the deal as pay talks tomorrow.

Dunlop wins Nissan wheels contract

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

DUNLOP'S automotive division, a subsidiary of BTM, has won the development contract for the supply of steel car wheels for the UK assembly plant of Nissan which is scheduled to come on stream this summer in the north-east of England.

Dunlop, the last British volume supplier of steel car wheels, has beaten off competition from Western Europe to win the contract. The production order would mean an important diversification for the Coventry factory, employing 650.

Nissan plans initially to assemble 24,000 cars a year at its Tyne and Wear factory, but it will take a decision in 1987 on whether to go ahead with a second phase, which could push output to 100,000 a year.

The Nissan contract follows closely Dunlop's success in securing a three-year deal to supply steel wheels for Ford's British Sierra models. Ford, the only UK car assembler to make its own wheels, has announced that it is pulling out of such manufacture by the end of next year.

Dunlop, with around 40 per cent of its 4m-a-year output of wheels going to Austin Rover, has been seeking to reduce its dependence on the state-owned BL.

Levy planned on ITV overseas profits

BY RAYMOND SNOODY

THE GOVERNMENT yesterday confirmed that it plans to introduce a levy on the profits of independent television companies earned from the sale of programmes overseas.

Mr Douglas Hurd, the Home Secretary, said that the present levy on domestic ITV profits of 68.7 per cent would be reduced by about 20 per cent. The levy would be extended to profits from overseas sales at a rate of approximately half that on UK profits.

It is expected, however, that after further consultation with the Treasury the UK levy will be finally reduced to about 45 per cent and the foreign profits levy will end up at 25 per cent. Independent local radio will be removed from the levy "to ease the financial burdens on the industry."

The Government has not finally decided when the changes will take effect, but the necessary legislation will be introduced as part of this year's Finance Bill, implementing the provisions of the budget.

It is not clear yet whether the sales of ITV subsidiaries such as Zenith films, a wholly owned subsidiary of Central Independent Television, or SuperChannel, ITV's planned cable television channel for Europe, will be affected by the legislation.

The Home Office explains that the reduction in the rate of domestic levy is intended to encourage cost-consciousness and efficiency. The approach to overseas profits should "preserve an incentive to companies to sell programmes on the international market," it says.

Rules aimed to protect investors

DRAFT RULES to deal with conflicts of interest in most types of brokerage, dealing and fund management groups were published yesterday by the Securities and Investments Board (SIB). The board is to become the main supervisory body for the UK financial community.

The proposals have been issued as part of the intended regulatory reforms of that community. Legislation planned in the Financial Services Bill, now before Parliament, requires that the main supervisory body for the City of London must have rules for the conduct of business by investment practitioners.

Under the new regulatory framework, investment businesses and practitioners will need to be authorised either by the SIB or by a range of self-regulatory organisations, formed to supervise specific investment activity, which will be approved by the main body.

The draft rules published by the SIB will affect firms which apply directly for authorisation as investment businesses. The rules also set the standards by which the self-regulatory organisations will be judged by the SIB when they seek recognition.

These rules represent only a part of the SIB's regulatory plans. There will be more rules relating to advertising of investments, life insurance selling, unit trusts, corporate finance and personal dealings by fund managers.

General requirements

Independence: Investment advisers under the proposed rules published yesterday, will be required to make clear the extent of their independence in their dealings. If a firm providing investment advice recommends the products of one firm, or is tied to transacting business through a particular firm, it must disclose that fact to its clients.

"Over-rides" and "benefits-in-kind": These will be banned. Firms will not be allowed to give certain inducements to other firms - or their staff - to place business with them.

"Benefits in kind" that are intended to be outlawed are items such as free stationery, office equipment and paid holidays.

The rule bans both the practice - common in the life assurance industry - of increasing commissions retrospectively as the aggregate value of the business introduced rises, and the sort of mutual agreements by which firms agree to reciprocate the introduction of business.

Excessive charging and "churning": An investment business will not be allowed to charge excessively for its services. "Experience will lead to more precision to this rule," says SIB, "but it clearly requires firms to charge in line with market practice and not to exploit the unsophisticated."

Investment firms, say the proposed rules, shall not recommend transactions to customers or carry

them out with unnecessary frequency, or recommend or effect transactions of excessive size. This is known as "churning."

The board expects investment businesses, as part of their compliance and supervision procedures, to have checks against churning and, in investigating compliance, it would have regard to these procedures as well as to actual dealing patterns.

Records of complaints: Investment businesses will be required to keep records of written complaints

arms-length trade and stated as such, including the date of that trade, or (b) firm quotes in stated sizes which are clearly said to be only indicative.

Off-exchange market makers: These will be required to report their closing prices each day to the SIB not later than 8pm. The board may designate another body to receive this information.

Customer agreements: Services provided by broking, dealing and portfolio management groups to

quency with which the firm will report to the customer.

Customer relations: There will be rules to require a firm to do its best to know its customer before performing any services for him. The intention is that firms should only recommend or execute transactions that are suited to the customer's financial situation, as far as it can be ascertained.

The tax status and readily apparent liabilities of the customer such as school fees or imminent retirement should be taken into account.

The Government is seeking to introduce better safeguards for investors to coincide with the major structural changes in the City of London this year. Yesterday, the new Securities and Investments Board unveiled its draft regulations for investment businesses. John Moore reports.

from customers and to investigate them impartially and competently. Records must be kept for six years. The SIB will have its own arrangements for dealing with complaints against authorised firms.

Compliance with rules: Investment businesses will have to maintain procedures for supervising each partner, director, employee and representatives (who may be exempt under the legislation).

Firms must review the effectiveness of their supervision in all their UK offices at least once a year.

Investment broking, dealing, and portfolio management: It is intended that the SIB will have the power to recognise investment exchanges. Rules have been drawn up which require firms which trade outside recognised exchanges to comply with reporting procedures and impose strict limitations on those who hold themselves out as market makers in securities.

A market maker is defined as a firm which holds itself out to deal in investments, quoting firm two-way prices every day. Market makers operating within, and recognised by, designated exchanges are to be known as "recognised market makers."

The purpose of these rules is to set a framework to protect investors in what are generally known as over-the-counter markets, both when they are dealing with unlisted securities and when they are dealing with listed securities outside the market where they are listed.

Under the rules, firms are prevented from holding themselves out as market makers in futures, options and contracts for differences except when they are recognised market makers in such investments or do not deal with non-business or non-professional investors.

Advertising and market makers: There are no special restrictions on recognised market makers. Other market makers may advertise themselves to professional and business investors. They can only advertise more widely if any prices published are (a) those of the last

customers must be governed by a written agreement.

The rules published yesterday do not apply to sellers or intermediaries of collective investment or life assurance or to non-investment business such as banking; nor do they apply to corporate finance business. Rules for these have yet to be drafted.

Under the rules, a customer agreement for non-business or non-professional investors shall contain a description of the services to be provided; an indication of the customer's objectives; investment guidelines or restrictions, if any; and restrictions, if any, to specified exchanges or other markets.

A statement will be required if the investment guidelines envisage use of unlisted securities and investments not traded on a recognised or designated exchange. A warning will have to be given on the possible unreliability or lack of information about the investment and its issuer and the risk of illiquidity.

The other information needed in the agreement is: its term if for less than a year; termination provisions; arrangements for receiving the client's instructions and for refusing instructions; the way in which the firm's advice will be communicated; the method of payment of fees and commissions; arrangements for reporting to customers; and permission from the customer, if he wishes, for someone other than himself to hold his money.

If the customer is not to hold his own money, the way in which his uninvested funds are to be held must be explained. The firm must also explain whether it accepts or rejects liability for funds in the customer's account for loss of investments in nominee names.

Details must be established about what is to be done with dividends, interest and bonus issues received by the firm on the customer's behalf.

If the firm is to advise on a specific portfolio, the agreement must detail what it consists of and the fre-

quies the information to be provided each time they deal.

The rule also requires that a customer be told if the firm is acting for someone else on the other side of the deal (in fact which might motivate the firm in recommending the transaction), unless the agreement provides for general permission to act in a dual agency role without case-by-case disclosure.

This is designed to limit the firm's opportunity to charge excessively.

Investments which are not marketed: Disclosures will be required to be made to customers before the firm deals or recommends investments which are not marketed to or with ordinary investors.

This covers any securities not traded on a recognised exchange and/or issued by persons who do not necessarily provide regular and reliable reports and accounts.

Money market instruments will not be included as that would be inappropriate.

The rule will require disclosure of the firm's own position in this category of investment and any mark-up.

Material interests: Rules require disclosure of a firm's other material interests in a transaction. For example, if the firm has acted as a corporate finance adviser to a party involved in the deal, that must be disclosed.

There is an exemption where the firm has "Chinese wall" arrangements, which are intended to prevent information gained in one part of a business being communicated to another.

Other conflicts of interest: Rules set out the dealing order which firms should follow when executing transactions for customers and themselves. Unconnected persons' orders should be executed before those of the firm itself or of its connected persons.

They would prevent buying for the firm to on-sell to customers at a higher price if the customer's orders had already been accepted. It would also prohibit selling from the house's book before executing an already accepted customer order to sell. "Accepted" means anyone accepted by anyone in the firm and known by the dealing arm of the firm.

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Thatcher reaffirms support for GM move

By Our Political Editor

THE NECESSITY of finding a buyer for the Land Rover and commercial vehicle divisions of BL, the state-owned group, was emphasised yesterday by Mrs Margaret Thatcher, Prime Minister.

Interviewed on BBC radio she said nothing to alter the widespread impression that she believes a sale of Land Rover and Leyland Vehicles to General Motors of the US remains the only feasible solution.

Mrs Thatcher said she was "fed up" with people protesting that BL should remain British and not putting their money where their mouth was. She said such people should put a bid together and should "put up or shut up."

She also gave a warning against offending companies such as GM and Ford "who have been employing people in this country for a very long time and who are very miffed when their bids and offers to help are pushed away."

Mrs Thatcher repeatedly emphasised the need to find a solution to the problems of the lorries and trucks business. She said the tax which could not go on financing the 40 per cent over capacity in lorries and trucks in Britain, and "sooner or later there would have to be a rationalisation."

"Undoubtedly the best chance for the future is to think about the future of the trucks and lorries as well and to think about whether there is plenty of capital to develop them, to think about whether you could get a distribution network in the US which masters very much indeed and to think about whether you can recover in the Middle East where the Japs have got a lot of the market."

Earlier in the interview she noted that there were "one or two bids to do a rationalisation on the production of lorries and trucks, and that is important."

This was in the context of warning against looking at Land Rover in isolation and in particular saying that purchasers could not just buy the best bits but had to look at the whole lot, including lorries and trucks.

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UK NEWS

'Time is ripe' for a full EMS role, say employers

BY WALTER ELLIS

BRITAIN should fully join the European Monetary System (EMS) without delay, the council of the Confederation of British Industry (CBI) said yesterday.

"We need to realise that sterling is a Euro-currency and not a petro-currency," Sir James Clesminson, CBI president, said.

In recent months, he said, sterling had reached a competitive value against other European currencies - in particular against the D-Mark - and it was quite clear to industry that the time was ripe for full EMS membership.

Sir James, while urging immediate action, did not foresee any early change in the Government's position. Mr Paul Channon, the Trade and Industry Secretary, who had earlier addressed the council, said

ministers accepted the principle of joining the exchange rate mechanism but were still waiting for the appropriate moment.

Such a position, Sir James said, was perverse. "There has ever been a better conjunction of exchange rates." Not only was sterling down against major European currencies, thus boosting British exports, but it had remained stable for several months against the US dollar, in which vital raw materials prices were denominated.

For exporters, the present situation represented a "magnificent opportunity," Sir James said, EMS membership would bolster confidence within industry that the benefits could be made to last.

Mr Channon said that manufacturing industry mattered to him, to

his department and to the Government.

Ministers, he said, did not share the "starker analysis" of the decline of manufacturing industry contained in a recent report by the overseas trade committee of the House of Lords. Nor did it favour the more interventionist solutions put forward to resolve the perceived problems.

Mr Channon did accept that manufacturing industry in the UK, as in all Western industrial countries, was bound to play a reduced role in future.

"The mix of activities in a modern economy changes, is bound to change and must go on changing as new demands, new products and new techniques supplement the old patterns."

Collapse in oil price damages Coal Board break-even prospects

BY MAURICE SAMUELSON

THE NATIONAL Coal Board (NCB) yesterday acknowledged that its objective of breaking even by 1987 would be made more difficult by the recent collapse in world oil prices.

It is pinning its hopes on a partial recovery in oil prices, but says that if this does not occur more collieries could be threatened with closure.

The board's views were spelled out by Mr Ian MacGregor, the chairman, deputy chairman Sir Kenneth Couzens and other top NCB officials to the House of Commons select committee on energy, which is conducting a major post-strike review of the coal industry's prospects.

They also rejected a claim by the Central Electricity Generating Board (CEGB) that foreign coal was so much cheaper than UK output that it could profitably import 30m tonnes of coal a year, well over a third of its annual consumption.

Sir Kenneth Couzens, who at Mr MacGregor's request presented most of the evidence to MPs, said he hoped the scale of colliery closures in the present financial year would not have to be repeated. "But we can't say closures are about to dwindle to nothing."

Although closures would continue at a "normal" rate for an extractive industry, much depended on the market for coal and the NCB could give no guarantee. "So it is possible that while I think we are over the big hump, there could be more closures," he said.

Mr MacGregor, predicting that oil prices were likely to recover from their present level, said he thought they had been affected by a temporary "overshoot in a commodity market which has collapsed".

In its written evidence to the committee, the NCB said a short-term fall in the oil price might strengthen the underlying factors which could cause oil prices to rise long term.

While avoiding firm production and supply targets, such as those used in the 1970s, the board none the less suggested that if there was no prolonged and severe oil price collapse, the UK coal consumption in 1990 would range from 105m tonnes to 115m tonnes a year.

For 1985, it forecast UK consumption at 105-120m tonnes a year and for the year 2000 105m-130m tonnes a year. Besides assuming that coal would maintain its price advantage over fuel oil, the NCB also said international coal prices would keep falling, that the new cross-Channel electricity cable from France would import the power equivalent of 3m-6m tonnes of coal a year, and that nuclear power station capacity would reach around 14,000 MW.

Asked yesterday about the latest improvements in productivity, Mr Ken Moses, NCB technical director, said that next year some 80 per cent of collieries would be producing coal at below £1.85 per gigajoule (metric therm), the maximum cost regarded as economic.

Business magazine aims at top 5%

By Raymond Snoddy

BUSINESS, a colour magazine which claims that it will scotch "once and for all the notion that business is boring", is launched today.

Mr Nigel Adam, editor of Business, said that the magazine was aimed at the top 5 per cent of international executives and those who would aspire to join them.

The first print run is 110,000 but it is hoped that the magazine will achieve a stable circulation of about 50,000. Between £3m and £5m is being invested in the magazine, which has a cover price of £2.

The Financial Times has a 40 per cent stake in the venture. The majority shareholder is Conde Nast Publications, although Mr Kevin Kelly, the publisher, has a personal stake of 20 per cent.

The magazine is being marketed under the slogan "Money and power talking".

The first issue includes a survey from Gallup, the opinion research organisation, on the main preoccupations of leading UK businessmen.

Fifty six per cent believe that over the past 12 months confidence in the City of London and its institutions has gone down. "Mismanagement" by Lloyd's underwriters concerns 59 per cent, and 57 per cent think it is very important that the Government takes steps in the March budget to reduce unemployment.

Westland proposes Black Hawk as new Nato helicopter

BY BRIDGET BLOOM

THE PROSPECT of the Sikorsky Black Hawk helicopter being built in Europe and replacing the planned Nato helicopter for the 1990s was held out yesterday as an important part of the future for Westland, Britain's sole helicopter manufacturer.

Sir John Cuckney, Westland's chairman, acknowledged before the House of Commons select committee on defence that the British Government had "for the moment" no requirement for the Black Hawk, which Westland is to build under licence from Sikorsky of the US under the financial restructuring of the company agreed earlier this month.

Sir John, however, made it clear that the company believed it could manufacture an updated Black Hawk that would rival the planned NH 90 - the Nato helicopter for the 1990s - in which Britain, through Westland, is involved in joint feasibility studies with the French, West German, Italian and Dutch aerospace industries.

Unless the NH 90 studies were redesigned to produce a completely new helicopter for the late 1990s and beyond, there would be little point in continuing with the project, Sir John suggested.

The NH 90 is one of three collaborative European projects which would have provided work for Westland under the proposals of the European consortium whose rescue plan for the company was voted down earlier this month. The European helicopter makers, led by France, have expressed worries at its possible fate after Westland's de-

cision to opt for links with Sikorsky and Fiat of Italy.

Sir John was discussing both the financial restructuring of the company and its future with the defence committee, whose inquiry into the defence implications of the Westland affair is drawing to a close.

The Westland chairman repeated that the company still did not know the identity of the beneficiaries of a block of shares totalling 20.85 per cent of Westland. But he agreed with Mr Michael Mates, a Conservative MP, that if the new shareholders were proved to have been acting in concert with United Technologies, Sikorsky's US parent, it legally would be forced into making a full bid for Westland.

Sir John said the resulting foreign ownership of Westland would make him unhappy, as the intention had been to keep Westland British.

In reply to a question from Mr Dick Douglas (Labour), he said that the leaked contents of a controversial letter from the Solicitor General had not had any material effect on the way he had conducted a press conference on Westland's future on January 6.

Mrs Margaret Thatcher, the Prime Minister, had told the House of Commons that the letter, which was at the centre of the crisis over the resignation of Mr Leon Britan as Trade and Industry Secretary, had been leaked on January 6 because it contained necessary facts that should be made publicly available before Sir John's press conference later that day.

Banks drive for mortgage business

BY MICHAEL CASSELL

MIDLAND BANK yesterday joined the fight to capture a bigger share of the UK home loans market. It announced that it had earmarked an additional £1bn for lending to home buyers.

The bank's move came two days after National Westminster Bank announced that it was scrapping differential interest rates on endowment loans (backed by life policies) and introducing a new package of mortgage incentives to attract more customers.

Lloyds Bank has already revealed its revised mortgage terms, although it is only scrapping the interest rate premium on endowment loans for new borrowers. An announcement of new mortgage guidelines from Barclays Bank is expected today.

Midland said yesterday that its decision to make available another £1bn for mortgage borrowers was evidence of its commitment to the market. The bank has about £1.4bn

out on mortgage loan and is lending around £40-£50m a month. The figure is now expected to rise quite substantially.

The fresh look at mortgage lending policies among the clearing banks is clearly designed to step up competition with the building societies, which now seem certain to reconsider their own attitude towards items like endowment premiums and other elements of their lending policies.

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Ministry to cut advance money on defence work

BY OUR DEFENCE CORRESPONDENT

THE MINISTRY OF DEFENCE (MoD) intends to reduce the advance payments it makes to British defence contractors on a wide range of business worth more than £3bn a year.

Mr George Younger, the Defence Secretary, will today discuss with industrialists proposals to withhold "a significant part" of such contract payments.

He told the Institute of Directors' annual convention in London that in future the MoD would withhold payment "until such time as the goods are produced, proved to meet our requirements and are suitable for the armed services to use."

The new proposals, which will be presented by Mr Younger to the National Defence Industries Council today, are seen in the MoD as a key part of the policy to increase value for money from the defence procurement budget, at present running at £3.5bn a year.

The Government's intention to tighten the terms to contractors still further seems to indicate that the new Defence Secretary intends to pursue the policy advocated so warmly by his predecessor, Mr Michael Heseltine, who resigned last month.

Mr Younger also told the Institute of Directors that another of Mr Heseltine's key policies - multinational defence collaboration - was imperative. Collaborative projects, particularly those involving Europe, "would appear more prominently in future British defence procurement for military, economic and political reasons," Mr Younger said.

Defence contracts which are not subject to advance payments are a feature of Mr Younger's intention to change the system.

The ministry had in the past made interim payments of up to 100 per cent of costs incurred by a contractor and these would be reduced. Interim payment of profit would "normally be discontinued" in future, he said. However, interim payments would not be eliminated. The intention was to ensure that contractors had an incentive to supply goods on time.

Mr Younger apparently hopes to produce guidelines for industry on contract payments after discussions in the defence industries council, a body comprised a senior civil servants and industrialists. The precise nature of payments is likely to vary from contract to contract.

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ABBL LUXEMBOURG IN THE NEWS

A report for international decision-makers

■ I/86

Luxembourg building on solid ground as an international financial center

BY KARL GRUEN

Three distinctive trends continue to govern money and capital markets: Barriers between domestic and international markets are being dismantled; traditional bank lending is being fused with, if not substituted by, standardized financing vehicles, and the increasing use of innovative investment and lending techniques is both cause for and consequence of a more enlightened environment provided by governments and supervisory authorities.

Luxembourg as a financial center is proving that it is well placed and well prepared to meet the challenges arising from such developments.

The emergence of a truly global marketplace for finance, the growing securitization of money and capital flows and, within that process, the increasing awareness of the need for deregulating market structures and practices without financial stability are having profound effects on all financial centers. Luxembourg is no exception. Indeed, some of the changes have been and still are most visible in this member country of the European Community.

Luxembourg moving forward

Luxembourg is coming to grips with most of the new challenges. Old and new financial institutions have been demonstrating a degree of flexibility and ingenuity that has earned them respect and admiration both from competitors in other centers and from discerning clients.

The unique attractions of Luxembourg are a combination of factors that all fall under these categories: reliability, quality and flexibility. Add to this the natural advantages of easy accessibility due to its geographical location and a long-established tradition as a neutral meeting place for ideas, culture and trade, and it is clear why the international financial center of Luxembourg is, contrary to some misconceptions, alive and kicking - and growing.

Over the past five years, it has become fashionable to link the visibility of Luxembourg as a financial center to the relative decline in the importance of the Euro-lending business or, at least, Euro-lending's declining profitability for the banks involved. Yes, Luxembourg's international banking community did experience only modestly growing balance sheet totals - as did banks all around the world that were faced with the shock consequences of over-exposure to doubtful or bad international risks. But with a share of slightly less than about 9 percent of the total for European banks in the BIS reporting scheme, it does rank third after the United Kingdom and France, an unchallenged position it already held five years ago.

Diverse service potential

Each of the 119 banks in Luxembourg, 107 among them subsidiaries or branches of foreign banks, has, of course, its distinct reasons for maintaining its presence there. The pursuit of wholesale business may still be the dominant objective for some of them. Others regard Luxembourg as a natural location from which to service their commercial clients in neighboring countries. In addition, an increasing proportion of foreign banks have been and are exploring new areas of activities in the context of private banking. As elsewhere, fee earning business has become the key word for the eighties.

The shift in emphasis is not always evident from just examining balance sheets. The Institut Monétaire Luxembourgeois, for instance, stopped including fiduciary accounts in the overall banking statistics as from 1984. But one important new feature is obvious to everybody: the ratio of interbank to non-bank deposits has changed dramatically. From an average of

almost 8:1 in 1979, it has declined to below 4:1 in 1985. The implications are that refinancing of the Luxembourg banks' lending business is becoming less expensive and that in general terms the commercial and private clientele is increasingly using Luxembourg for international transactions.

The explosive growth of the market for international securities is reflected in a quite remarkable share of the business for Luxembourg-based institutions. Indeed, just as Luxembourg was involved in the very birth of the Eurodollar bond market in 1963, so the more recent upsurge in the importance of ECU-denominated instruments must also be credited to the pioneering spirit of Luxembourg.

Today the share of Luxembourg-based underwriters of public international bond issues is as impressive as ever - and increasing. In the first half of 1985, it stood at 31.5 percent for the total of all new Euro-bond issues against 23.4 percent in 1984, 22.7 percent in 1983 and 18.5 percent in 1982. In absolute terms, the deals with a Luxembourg connection amounted to the equivalent of \$ 20.8 billion out of a world total of \$ 68.5 billion in the first half of this year, compared with \$ 18.8 billion (\$ 71.5 billion) in 1984 as a whole and \$ 5.1 billion (\$ 11.5 billion) in 1978. Moreover, 62 percent of all Eurobond public issues have a Luxembourg listing.

For some market sectors, including the ECU-denominated bonds, the record is even more impressive. Bond issues denominated in the European Currency Unit have, within the last three years, consistently gained in importance. ECU bonds meanwhile make up the third largest sector in the international bond market, after US dollar and DM issues. In 88 percent of all ECU issues since 1981 Luxembourg institutions play a decisive role, and almost without exception, all these ECU issues are listed on the Luxembourg Stock Exchange.

Private banking on the rise

The approach to this field of activity varies, but a clear pattern seems to be emerging. While there are still a number of banks that most probably will continue to concentrate on wholesale business and/or to offer trade-related services, many banks in recent years have begun to step up the development of their private banking business. Some of these, mostly long-established banks with strong domestic roots, have no difficulty offering home grown full service facilities complemented by a strong international presence in other centers. Other banks, as a rule usually those that are part of a large network of multinational banks, confine themselves to the role of personal advisory posts channeling individual customer requests through to their own worldwide system of research and special services.

Thus, from money market and foreign exchange operations to Eurofinancing, from the establishment of offshore holding companies to assistance in all types of trade financing, from the buying and selling of securities and precious metals to trust administration and to portfolio management - Luxembourg-based financial institutions are outgrowing earlier perceptions of their existence.

Record of stability

The Grand Duchy enjoys a very high degree of stability. Its political and social structures reflect traditional values such as liberty, pragmatism and diligence, and are supported by a sound constitutional and legal framework. The country's labor relations record is exceptionally good. Government finances are healthy. Infla-

tion and unemployment levels are decisively below European averages. There are no restrictions on capital transactions. The principle of strict confidentiality in banking is stipulated by law. Furthermore, Luxembourg does not have withholding tax on interest.

The international outlook of the people of Luxembourg comes naturally and is firmly rooted in Europe's history. The independent status of the Grand Duchy, first recognized by international treaty in 1867, has been a stimulus for making Luxembourg the seat of major financial EC institutions, such as the European

Investment Bank, Directorate General for Credit and Investments of the EC Commission and European Fund for Monetary Cooperation. It is also the home of the Secretariat of the European Parliament, the European Court of Justice, the European Court of Auditors, and the European Office for Official Publications.

The Government, including the regulatory and supervisory authorities for the banks and other financial organizations, has consistently demonstrated a high degree of firmness combined with pragmatism in safeguarding the soundness and integrity of the financial system.

Facts about Luxembourg

Area	2,586 square kilometers (approx. 999 square miles)
Population	566,000, including 96,000 resident foreigners
Working population	150,000, including 15,000 commuters from neighboring countries
Employment by sector	Industry - 40,000 Construction - 14,800 Agriculture - 7,000 Services - 57,800
Government	Constitutional monarchy with parliamentary democracy
Main political parties	Christian Social, Socialist, Liberal Democratic
Languages	French, German, English, Luxembourgish
Currency	Luxembourg Franc (Lfr.)
GDP per capita	Lfr. 564,000 (US \$ 11,000)
Number of banks	119
Total bank assets	Lfr. 7,478 billion (US \$ 158.71 billion, September 1985)

"Solidity Combined with Flexibility"



Interview with Remy Krenner, President of the Association des Banquiers et Banquiers Luxembourgeois (ABBL) on the future of Luxembourg as an international financial center.

Question: Reviewing bank balance sheet totals, growth overall seems to have slowed down. What are the implications for Luxembourg as a major international banking center?

Krenner: Slowdown in asset growth is a universal development common to most institutions active in international lending. Luxembourg banks, with their historically strong positions in Euro-lending, are no exception but the emphasis is more than ever on quality rather than growth only. In its regular quarterly statistics, the Bank for International Settlements recently reported only "modest" increases in external assets by banks in the U.S., Canada, France, Germany, Italy, Switzerland and the United Kingdom, whereas banks in Luxembourg were reported to have shown "significant external asset growth."

Question: What does this growth imply?

Krenner: First, a global shift in banking activities cannot be associated with the performance of one particular center only. Second, Luxembourg's important role as a Eurocenter is reconfirmed. And third, balance sheet totals alone do not necessarily reflect the soundness or viability of an enterprise. In the case of Luxembourg, for instance, one should bear in mind that lending to Western borrowers makes up almost three-quarters of the banks' total lendings. In addition, modest net profits in many cases may well be the result of prudent policy in regard to loan loss provisions. Another important measure of quality is also not reflected in balance sheets, namely the growth in fee income.

Question: What specific areas represent substantial growth potential for banks in Luxembourg?

Krenner: Each bank has, of course, its own strategy. However, Euro-lending will, for a number of banks, continue to be a solid base from which to branch out into other service activities. Currency dealing, trade related services as well as the issuing and placing of international capital market instruments will continue to be key activities. For an increasing number of Luxembourg-based banks, private banking will certainly account for a greater share of their activities.

Question: What's the special appeal of Luxembourg for private banking?

Krenner: The positive trend over the past five years has clearly documented that Luxembourg-based banks and financial institutions have excellent potential to broaden this service aspect and build on an already impressive tradition. Our political and social environment is stable. The country's legal and fiscal framework is attractive and reliable. Our banking legislation provides a degree of confidentiality second to no other international financial center. Customers are assured of being served by a professional and highly motivated multilingual staff. We have the necessary infrastructure. Fees at all levels are highly competitive in comparison with those of other centers.

Question: With the emphasis on more and more securitization, will Luxembourg's traditional strength in providing services to the Eurobond markets lose some of its appeal?

Krenner: As more and more investors and borrowers turn to securities as an effective means for channeling funds, competition for providing the necessary services will grow. We are not preoccupied with "market share" as long as Luxembourg business thrives in absolute terms. When the Eurobond market was born, Luxembourg was an integral part of that process. In view of the market's global development, today's some one-third share of Luxembourg participations in the launching of public Eurobond issues is still very decisive. The same applies to Luxembourg's key position in having made ECU bond issues the third largest sector in international capital markets, after the US dollar and the DM.

Question: What makes you so confident that Luxembourg can meet the challenge of rapidly growing diversification and sophistication in international money and capital markets?

Krenner: Luxembourg's involvement in the Eurobond market, and in particular its role in the rise of the ECU from a mere basket currency unit to a widely accepted investment vehicle, underlines our center's creative and innovative potential. Moreover, the universal bank character of the majority of financial institutions in Luxembourg allows for quick adaptability to changing business conditions. As for so-called innovations, Luxembourg's banks are, of course, equipped to serve clients who want to use the latest financing and/or investment instruments. But both our banking authorities and the banks themselves will continue to exercise caution and judiciously evaluate these instruments. Luxembourg banks have developed a profound understanding of the needs of their international clients and know that they expect, first and foremost, solidity combined with flexibility.

Luxembourg makes private clients feel welcome.

For many international investment advisors and portfolio managers, life begins with large sums. Their highest ambition is to serve either institutional investors or wealthy individuals, ideally both. Knowledgeable international clients, with large and not so large amounts to invest, are increasingly demanding that professionalism and personalized service go hand in hand: In Luxembourg, the number of private clients is swelling and this is one of the main reasons.

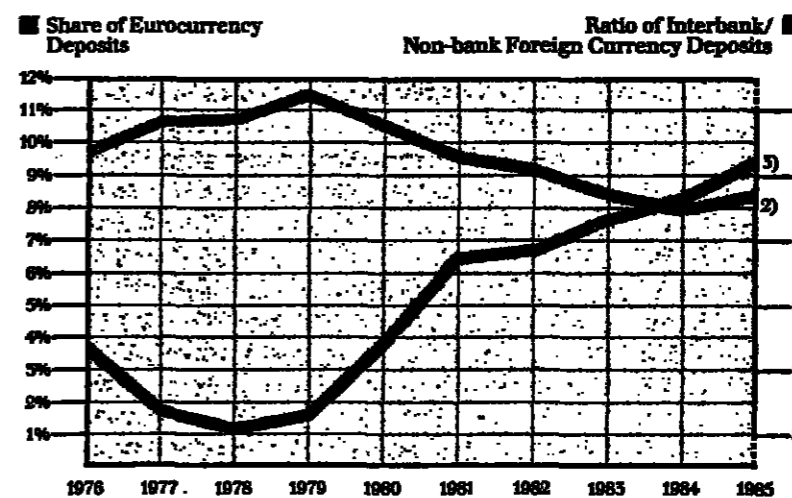
For at least two-thirds of the 119 banks registered in Luxembourg, private banking is a significant part of their business, although most of them still rely heavily on wholesale banking.

Luxembourg has a tradition in private banking. For many years, the Luxembourg banks have successfully served both domestic and international clients. The proverbial Belgian dentist, that retail investor in the Eurobond market who allegedly purchased vast numbers of Eurobonds never to sell them again, was seen around Luxembourg long before the beginning of this decade when more and more foreign-owned banks operating in Luxembourg began to strengthen their private banking capabilities.

With international investors becoming more sophisticated, the species of the Belgian dentist has grown both in stature and in numbers in other countries as well. Drawing on the facilities and infrastructure built up during the Euro-lending boom years, many banks have found that private banking has added rewarding dimensions to their activities.

The growing number of international investment funds and investment trusts registered and administered from Luxembourg suggests that banking and trading facilities compare favorably with those in global money and capital markets in general. Since the end of 1981 alone, 66 new funds have been added to the list of officially registered funds now totalling 147. At the end of June 1985, their total assets amounted to the equivalent of Lfr. 476.5 billion (US \$ 7.69 billion), almost six times the average during the seventies.

Growth of Private Banking Deposits¹⁾ in Luxembourg



1) Luxembourg banks' share of Eurocurrency deposits in percent of total for European banks reporting to BIS: Belgium, France, Germany, Luxembourg, Netherlands, Sweden, Switzerland, United Kingdom. From 1977 also Austria, Denmark, Ireland. From 1983 also Finland, Spain, Norway.
2) End June. 3) End September.
Sources: Institut Monétaire Luxembourgeois, Bank for International Settlements.

Private banking in Luxembourg has a number of distinct advantages. These include very competitive banking and brokerage fees, for international clients the freedom from tax on their investments, and the absence of transaction taxes on secondary market dealings. Luxembourg is also one of the rare places in the world where there are no tax charges on the purchase of precious metals. Moreover, foreign holding companies have for many decades enjoyed relatively low taxes for their incorporation and annually after that.

One of the most important "structural" advantages Luxembourg has built for itself and its international clients in recent years, however, is its banking legislation. The Banking Act of 1981, for the first time, formally acknowledged a long standing tradition of confidentiality in the relation of bankers with their customers. The provisions of that legislation compare very favorably with anything similar in other financial centers. For everybody to whom confidentiality in money matters is important, it is more than reassuring that bank secrecy as such is legally institutionalized.

Impressive as all these advantages are, they still do not fully explain why more and more international investors are choosing Luxembourg for their private banking needs. Luxembourg banks do not claim a monopoly on efficiency. But they rightly can point out that they have, in addition to their broad range of service facilities, one important psychological weapon in their arsenal. Customers, big and small, are made welcome not only with competitive fees, professionalism and flexibility, but also with a very personalized approach which has become the hallmark of most of the Luxembourg institutions. As one not unimportant investor put it recently: "When I'm in Luxembourg, I do not have to prove first that my net worth is at least half a million before I am offered a seat."

Mr. Jacques Grosjean, Press Secretary, ABBL, Luxembourg Bankers Association, B.P. 15, L-2010 Luxembourg.

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Luxembourg Banking in Brief

	1975	1981	1982	1983	1984	1985 ¹⁾
Number of banks	76	115	115	114	115	119
of which foreign	64	102	102	102	103	107
Number of employees	5,846	8,069	8,621	9,024	9,382	9,878
% of working population	3.7	5.0	5.4	5.7	5.9	6.0
Balance sheet totals (Lfr. billion)	1,478	5,081	5,987	6,592	7,531	7,478
Foreign currency assets as %	84.8	87.7	89.0	89.2	89.0	88.4
Foreign currency liabilities as %	85.8	88.5	88.7	87.5	87.5	86.7
Share in Euromarkets % of assets ²⁾	9.5	10.5	10.5	9.5	9.1	8.5
of which on the non-bank sector	21.2	20.1	19.0	17.5	17.5	17.6
Share in Euromarkets % of liabilities ²⁾	9.0	9.2	9.0	8.1	7.8	8.1
of which on the non-bank sector	10.5	7.7	6.4	5.8	6.5	7.5
Share in Eurobond mgmt. groups (%)	40.4	21.8	16.3	22.7	23.4	31.5
Eurobonds with Luxembourg listing (%)	62.8	45.4	47.9	61.9	57.5	61.8

1) End of September 1985, except for number of employees, share in Eurobond management groups and Eurobonds with Luxembourg listing, which are for end of June 1985.

2) Share of Eurocurrency market, as reported to BIS by 15 European countries: before 1985 without Finland, Norway and Spain.

Sources: Institut Monétaire Luxembourgeois, Bank for International Settlements.

THE ARTS

Exhibition/David Piper

Fair faces and fine fortunes

Colnaghi's expansion into the specialist field of British portraiture was signalled...



Master Knox of Airdrie painted by Sir Henry Raeburn

The range is from the early 17th century up to the mid-19th but with an emphasis on the 18th and the so-called golden age of British portraiture...

There are no small conversation pieces. There is a fine Gainsborough head...

Quality of art, free brilliancy of technique: these are not generally predominant characteristics of mixed assemblies of British portraits...

higher than in Colnaghi's first essay in the genre. It is delightful, as you enter, to be confronted by two Restoration portraits of superb brilliance...

Two excellent originals at Colnaghi's will quell such doubts. One is a fine late portrait of a woman with a guitar, the other, still more striking, an earlier three-quarter length of the most lusciously ripe young man...

Colnaghi will quell such doubts. One is a fine late portrait of a woman with a guitar, the other, still more striking, an earlier three-quarter length of the most lusciously ripe young man...

Both Lely portraits acknowledge the influence of Van Dyck, who is represented by a portrait of the Earl of Craven, attributed surely rightly to the studio of Van Dyck rather than as an autograph throughout...

In real life Hamilton's head proved vulnerable to the conquering Parliamentarians, but it seems rather macabre of another painter to have used the body as a prop for a portrait of Cromwell...

The exhibition offers a fascinating display of such role playing and assertion of status. All through it, the painters present well-fed, richly clothed and amply fleshed people with comfortably assured expressions...

The image that remains with the most vividly is by a better-known artist, the favourite of the British when in Rome: Bantam. His subject, Sir Edward Wortley, is a young man, and probably tireless young baronet, leans on one elbow while glancing askew with the most eloquent slyness...

longer work (over 20 minutes), it's an ambitious knitting-together of three "cycles" of varied material across three movements — the alignment of the cycles with the movements is not in parallel, but rather works subtly across their confines...

London Philharmonic/Festival Hall

David Murray

The LPO played very well for Georg Solti on Tuesday, particularly in the Seventh Symphony of Bruckner, but it wasn't a great Solti evening...

paragraphs at a time can go propulsively by without the listener registering salient turns in the argument...

and through which he often gets brilliant results, cramps The Bruckner Seventh had a wonderful opening, its first horn (an unabashed cousin of Wagner's Rhine-motif) most beautifully shaded and tapered...

often with a hard glitter at its peaks. Solti compromised his admirable decision to keep to Bruckner's modest double woodwinds by doubling the horn quartet at tuttis throughout...

Brighton Beach Memoirs/Lyttelton

Michael Coveney



Steven Mackintosh and Frances de la Tour

Neil Simon's 1983 Broadway play (still running there) is a well-turned, old-fashioned domestic drama set in Brighton Beach, New York, in 1937...

But this is not an evening to send you celebrating into the street. This is the one where Simon, ever an autobiographical playwright, summons up with a nod at his reputation and history of West End failure...

Jack, Eugene's father of Polish Jewish stock, cuts material for raincoats and makes up extra money by selling party favours out of cardboard suitcases...

masturbation as a hobby in Poland. Eugene's stock cuts material for raincoats and makes up extra money by selling party favours out of cardboard suitcases...

but it does weaken the grip of the play. Mackintosh, bespectacled and ginger, has an easy charm, but you do not really care — very much — whether the jacks off or writes a masterpiece...

The structure shows a few joints which, incidentally, none of the five NT companies seems anxious to claim — are minor and rooted in Simon's rhythmic, idiomatic turns of phrase...

Die Winterreise/Wigmore Hall

Richard Fairman

Quite a few singers celebrate the 30th anniversary of their debut, but it is unusual for three to mark their 35th as Thomas Hemsley did in his Wigmore Hall recital featuring Die Winterreise on Tuesday...

Technically Hemsley can feel his way through the cycle with great skill. He can shape a legato line as fine as any junior — the nocturnal hush of "Das Wirtshaus" was quite unbroken — and towards the end the old power returned, though those great soaring phrases at the ends of songs are now managed with care, rather than passion...

The drawback is that his familiar, idiosyncratic timbre (so covered and a touch nasal in quality) has never been an instrument of many musical colours and is not one now...

As Schubert's journeyman, he followed a straight and unhurried path. In this reading there were no exaggerations, no intrusions of theatre, nor — more regretably — any comments which individual singers or feelings seemed to stir the traveller's imagination...

and natural, the product of long experience. In the last few songs (from a sensitive "Der Wegweiser" on) he stood quite still with eyes staring straight ahead and an expression frozen into immobility...

The cycle was given with an interval. Like every other recital in the country, Hemsley gave his reasons, both artistic and musical, in the programme. But Die Winterreise, so unequivocal a masterpiece in sustained musical thought, is surely one journey that does not want a resting-place. Neither Hemsley nor his supportive accompanist, Roger Vignoles, seemed in much need of it...

'Dalliance' for the Lyttelton

The National Theatre is to present Dalliance, Tom Stoppard's version of Arthur Schnitzler's Liebelei, directed by Peter Wood. The play opens on May 27...

Fires of London/Elizabeth Hall

Max Loppert

The Fires not only commission works and give their first performances, they persist with them thereafter. This admirable practice on Tuesday night gave us the second performance of Bayan Northcott's Sextet, first played by the Fires last year...

Persistence, in this case, was particularly rewarding: for in Northcott's music one immediately recognises a voice of individuality, authority, and confidence. The matter is tautly and concisely shaped: two movements of contrasting type based on the same material...

The concert also offered the premiere of Philip Grange's Variations (another sextet). A

longer work (over 20 minutes), it's an ambitious knitting-together of three "cycles" of varied material across three movements — the alignment of the cycles with the movements is not in parallel, but rather works subtly across their confines...

New York Theatre

Frank Lipsius

The American Place Theatre's production of Drinking in America is written by its sole performer, Eric Bogosian, and has the look, with its bare stage, of a drag one-hander...

Then Bogosian downs what looks like a pint of cheap wine and begins a fascinating series of character sketches. The first and last are down-to-earth drunks for whom standing still is a precarious exercise...

Bending down to the floor he becomes a West Coast talent agent makes his caller hold on a call from New York. The agent makes his caller hold on while he supposedly goes for a cup of coffee, quickly he presides and snorts a packet of cocaine before negotiating a television mini-series on the Bhopal disaster — "a misunderstood multinational" — for Richard Chamberlain...

The humour and mimicry do not obscure the underlying compassion that marks the sketches. The bite of Bogosian's wit is all the more remarkable against off Broadway's hesitant and palliative mood...

example, squirting a water pistol at the faithless wife. After his Vietnam plays, David Mamet turned to the domestic jungle with In the Boom Boom Room, which was revised for an off-Broadway run at the South Street Theatre...

Arts Guide

Exhibitions

TOKYO

Museum of Modern Art: In the centenary of his birth, the museum mounts the largest show ever devoted to the architect, design and furniture of Kies van der Roop...

WASHINGTON

National Gallery: The Treasure Houses of Britain collects 700 objects from 200 stately homes in a show mounted and decorated to look like the quintessential stately and main hotels...

NEW YORK

Metropolitan Museum: Liechtenstein, the Princely Collection, one of the greatest private collections in Europe, shows a variety of the holdings, like a French Rococo carriage, dreamscapes, sculpture and a hundred paintings...

BRUSSELS

Woods in Pharaonic Times: 98 objects from the Cairo Museum including jewellery, make-up and perfume cases, religious objects and musical instruments reflecting the

status of women in Court and Temple roles. Musée d'Art et d'Histoire. Ends Feb 28.

WEST GERMANY

Düsseldorf: Städtische Kunsthalle, Grabbeplatz 4: Gerhard Richter, a retrospective of 120 oil paintings of the East German artist, who has lived in Cologne since 1965. The works cover 1962 to 1985. Ends March 16.

PARIS

Hommage to Paul Delvaux: Distant and solitary in their cool perfection, these large eyes unseeing, Delvaux's makes his dreamlike universe. The one touch of realism comes in the painting of his mother's kitchen, with an old-fashioned clock and cured ham hanging from the rafters...

ITALY

Rome: Gallerie Nazionale d'Arte Antica, Palazzo Barberini (Via delle Quattro Fontane 13): Twenty recently restored works from private and public collections, mainly in Rome and Lazio. The first painting is surprisingly lush: Madonna del Rosario by Guarneri, in which Pius V, kneeling at the Madonna's feet, and last are down-to-earth drunks for whom standing still is a precarious exercise...

LONDON

The Royal Academy: Sir Joshua Reynolds: The long-awaited tribute from the Royal Academy to its founding president. His the principal gallery of Burlington House until March 31 (sponsored by a National Westminster Bank). A truncated version has already been shown in Paris. It is an evocative complement to it confirms Reynolds as one of England's major artists, historical heroes and exposes his limitations as a painter...

VIENNA

Vienna 1880-1888: Centre Pompidou stages one of its vast exhibitions where different disciplines combine to bring to life a moment of history. Turn of the century Vienna, melting pot of nationalities and races, is the scene of a paradox. The mournful atmosphere of a fin de regne is lit by an explosion of ideas and artistic creativity...

Feb 21-27

Museums/Antony Thorncroft

See dinosaurs — at a price

The Natural History Museum, in South Kensington, which also houses the Geological Museum and the Zoological Museum at Tring, is to introduce admission charges from April 1, 1987. The actual amount will be decided this autumn but it is likely to be £1.50. School parties, which account for around 10 per cent of the 3m annual admissions, will probably be included among the concessionary categories...

also be bridged partly by a drive for more sponsorship, and an active marketing programme for its publications, facilities and expertise, which should contribute over £300,000. But the remaining deficit is so great that admission fees are the only solution, apart from redundancies. Efforts will be made to charge for scientific services, but since the museum also benefits from such activities there is little scope to increase charges in this sector...

“Once in every decade or so there comes a chance to create something really significant on an international scale.

Something which is bigger, by virtue of its name and what it is, than all its parts put together.

Something which is both synonymous with its country's expanding economy and a symbol of it.

Something which is a cornerstone of “Great Britain Limited” in the international market place.

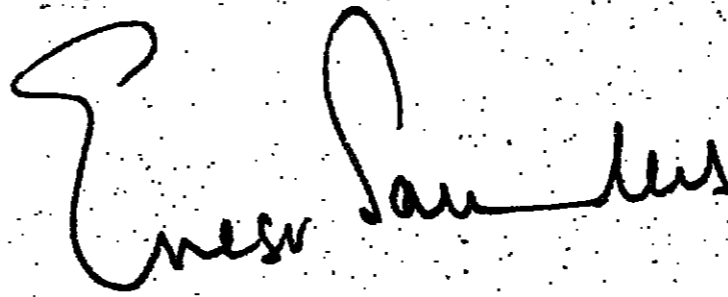
Something which not only leads the way to long term prosperity but which also creates wealth and jobs.

Something which makes those who were in on the ground floor of it both proud and financially rewarded to have been there at the beginning.

Something which is not just another part of investors' portfolios, large or small, but at the very core of them.

That, I believe, is what we have the chance to do with this merger.

I believe the joining of Guinness and Distillers will provide the foundation on which we can build an international company for the 1990's and after.”



ERNEST SAUNDERS, CHIEF EXECUTIVE

GUINNESS PLC

Priorities for Mr Gorbachev

IN THE past 11 months Mr Mikhail Gorbachev has so busied himself getting his hands on all the levers of power...

City regulation takes shape

A FLOOD of documentation is beginning to appear from the new regulators at the Securities and Investments Board...

AFTER A tumultuous two-month election campaign and a heart-stopping 18-day crisis over the result...

Now begins the promised first 100 days of "yellow revolution" a play on Marcos' colour — and the world is watching to see if she can successfully consolidate her position...

By any standards there seemed to be a good start yesterday. Mr Juan Ponce Enrile, the powerful Defence Minister who broke away from the Marcos government...

Given the extraordinary circumstances in which she took office, Mrs Aquino is appealing to Filipinos to be patient and sets about her mammoth task...

"I shall immediately begin the process of flushing clear the putrid stable of bureaucratic corruption and of recovering the people's money accumulated in private accounts built up by thievery."



MRS CORAZON AQUINO

ened to use the hated presidential decree-making power to speed this process, but that may prove unnecessary in the current mood.

Another factor in her favour is the natural distaste of a Catholic, Malay people for violent communist revolution. Against her, however, are the country's relentlessly deteriorating economy and the uncertainties of the present transition...

KEY FACTS table with columns for Population, Area, Inflation, GNP, Exports, Imports, Main agricultural exports, External debt

Her promise of a freer press is already being met. The boycott of pro-Marcos newspapers is off, and television stations are starting to broadcast again.

Day's work is done

When Graham Day came back from Canada to take charge of ailing British Shipbuilders nearly three years ago, he boldly demanded, and got, a written statement of objectives from the Government.

Land's foresight

As managing director of British Transport Hotels, Peter Land once had such famous hotels/golf courses under his control as Gleneagles and Turnberry.

Men and Matters

neighbour, Standard Oil (New York), after calling itself Socony eventually renamed itself Mobil.

Old standard

John D. Rockefeller, the oil tycoon who, at the height of his power 100 years ago, controlled virtually all the US oil refining and marketing industry...

Rural flavour

John Nichols, aged 36, managing director of J. N. Nichols, the company his grandfather founded to make the fruit drink Vimto, has just discovered the joys and risks of a new product launch.

In triplicate

Whitehall traditions linger on. Friend received a letter from a Government Minister's private secretary. The letter was typed, but the "Dear Mr..." "Yours sincerely," and the signature, were all written in — by three different hands.

Now the reality starts to sink in

Chris Sherwell reports from Manila on the serious problems still facing the Philippines

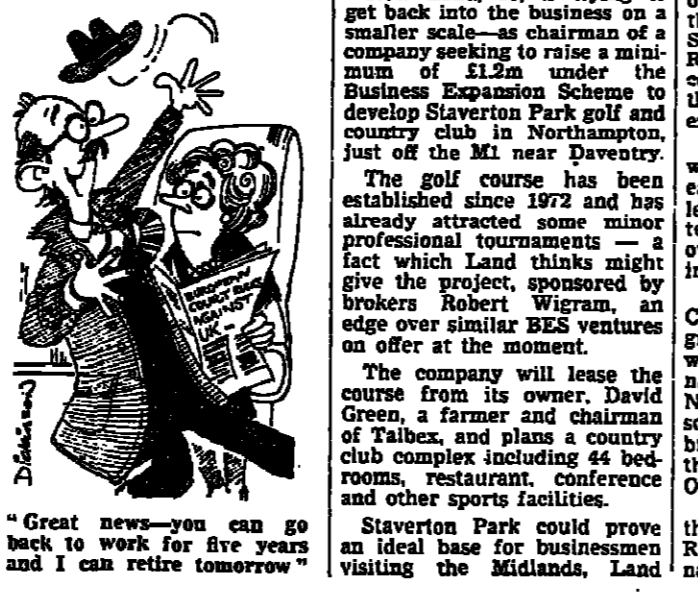
its commercial and official creditors under the guidance of the International Monetary Fund.

By late last year the bitter medicine appeared to be working and the inflation rate fell rapidly from about 16 per cent to 5 per cent.

While the international banks are likely to join foreign governments in welcoming Mrs Aquino's success, they are unclear about her stated commitment to negotiate better terms for the repayment of the country's external debt.

On specifics, Mrs Aquino has promised less oppressive strike laws for workers, some relaxation on the tax front for businesses and help for farmers.

BASE LENDING RATES table listing various banks and their interest rates



"Great news—you can go back to work for five years and I can retire tomorrow"

NOTE: The symbol shown against the annual rate is the rate for the year ending 31st March 1986

It is very rare in Britain for the financial indicators and those for the real economy to be favourable at the same time. Usually if one set is good, the other is bad.

Now, however, the CBI monthly trends survey has turned up sharply, recovering from the steep and worrying dip shown in the Quarterly Trends Survey taken in January when base rates were being cut to 11.25 per cent and concern about sterling was at its height.

The January public sector borrowing figures were so much better than expected that they affect the likely outcome for 1985-86 and the prospects for 1986-87. In addition, yields on long-term gilts have shown signs of trying to break through the 10 per cent barrier which they failed to do two years ago.

Moreover, despite a 35 to 40 per cent drop in the oil price, the trade-weighted sterling exchange rate index is only down by 7.5 per cent compared with the index level of 81 on which the Autumn Statement was based.

Until the latest favourable indicators arrived, the arguments inside the Treasury were, I guess, not about how much to cut taxes, but about whether or not an increase was required to stay on course.

Even now, although the Chancellor may, as always, chop and change between particular taxes, the likely size of net relief is within spitting distance of zero.

The British citizen will, of course, benefit from lower oil prices directly, and from the lower cost of energy used for other products. He may even come to realise that not all his gains and losses come from government.

It is, nevertheless, at first sight paradoxical that lower oil prices should benefit British economic prospects. Not all exports account for 24 per cent of GNP, and the recent oil price fall should reduce that by 1 percentage point.

Up to half of the balance of payments effect may be offset by lower earnings from overseas oil companies, but some increases in UK exports and import substitutes will be required to fill the gap; and this requires a terms of trade loss.

One offsetting effect is the boost to world prosperity arising from lower oil prices, which should benefit British overseas markets.

Another is that the recent depreciation of sterling has increased the competitiveness of both British manufactured goods and tradable services; while the fall in oil prices offsets the inflationary effects which a fall in sterling normally brings.

Moreover, a transfer of profits from the North Sea sector to the rest of the internationally

Economic Viewpoint

Reasonable prospects: tax cuts later

By Samuel Brittan

trading sector is likely to increase investment. It is also shifting economic activity to more labour-intensive areas, although the impact on jobs will take many months to be seen.

These general forces had been taken into account by the London Business School and the National Institute in their forecasts. But the very latest favourable indicators came too late to be taken fully on board.

They are one reason (among others) why I would put my money on the LBS forecast, which is of 2.4 per cent in 1986 rising to 3 per cent in 1987, rather than the National Institute's forecast of 1.3 per cent growth next year, falling subsequently to 1.1 per cent. If anything, I should expect UK growth to exceed LBS expectations.

On 1986 inflation rates there is very little difference between the two forecasts, both being in the range of 3.4 to 4 per cent. But while the LBS sees inflation continuing to fall in 1987, the Institute expects a moderate acceleration.

Here, however, I have a strong suspicion that the Institute could be right. For it will be very difficult to reduce the underlying or "core" rate of inflation much below 5 per cent, until there is a decisive break in the trend of pay.

Wage inflation will probably decline slightly as price increases abate, but it will be a battle to get it to decline enough.

Excessive pay increases are much immediately worrying, however, for the damage they are doing to job prospects. The last few years have seen booming stock markets and booming profits—the latter, at least, seem set to continue. At the same time unemployment has continued to rise. In other words, "jobless prosperity."

Indeed I admit to trepidation in writing on economic prospects for the morning before the publication of the February unemployment figures.

During the past 12 months "seasonally-adjusted" changes in unemployment have fluctuated between a fall of 8,000 and a rise of 28,000. If today's figures are at the more favourable extreme, unemployment will still

The key to the wider unemployment problem is the conflict between the "insiders," who want pay increases and the "outsiders" who want jobs. A few American companies have provided new jobs for outsiders at separate and lower pay scales—a practical expedient from which British moralism shrinks.

Some economists, such as Martin Weitzman, think that to play safe and not to go above a £7.5bn PSBR for 1986-87. This is the figure laid down in last year's version of the Medium Term Financial Strategy (and which also could well be the outcome for 1985-86).

The Chancellor should take advantage of episodes when sterling is strong to lower interest rates rather than take risks with fiscal policy.

What of the various arguments for going ahead with tax cuts despite the £5bn fall in projected oil revenues? One is that an increase in the PSBR due to lower tax revenue from North Sea oil will have very little demand-increasing effect.

A more fashionable argument is that it is justifiable to smooth the effects of fluctuating oil revenues. Public borrowing needs to be exceptionally low when oil production and prices are at their height, but can rise to a more normal level afterwards.

A third argument, less specifically connected with oil, concerns the "policy mix." When UK interest rates have to be exceptionally high to protect sterling, an offsetting fiscal boost is both justifiable and necessary to maintain an even rise in nominal demand.

Unfortunately for these arguments, there has already been a relaxation of fiscal policy, which will go further even without any tax cuts.

The PSBR is but one imperfect measure of the public sector accounts. The less well-known Public Sector Financial Deficit has the advantage of treating asset sales as a form of finance, rather than as negative expenditure. There are also one or two other differences, mainly in the treatment of lending to private bodies.

As the table suggests, the PSFD may rise by £2bn in 1986-

UK FISCAL POLICY

(Figures in £bn)

	75-79	81-82	83-84	84-85	85-86	86-87
Public Sector Borrowing Requirements (PSBR)	9.3	8.6	9.7	10.1	7.1	7.1
Public Sector Financial Deficit (PSFD)	8.5	5.9	12.3	14.4	10.1	12.1
PSFD adjusted	8.8	7.6	14.3	13.7	11.1	13.1
PSFD adjusted, net of asset sales, miners' strikes, etc.	(5.1)	(2.9)	(4.7)	(4.2)	(3.1)	(3.1)

Figures in brackets express the third row as a percentage of Nominal GDP.

Source: NIESR up to 1984-85, then author's estimates

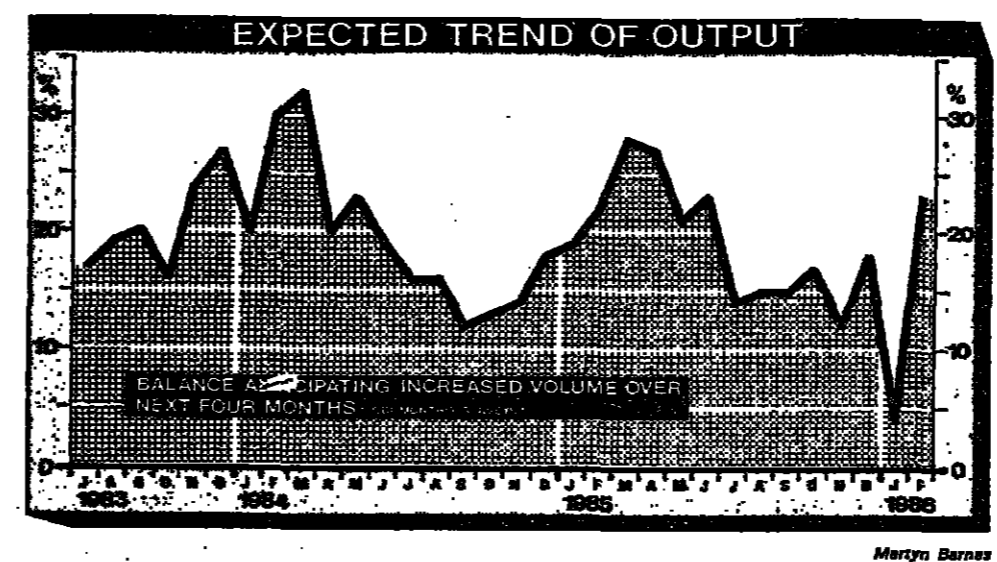
have risen by an average of 6,000 per month over the last year. If they are at the unfavourable end, the trend rise will have been 9,000 per month.

There is a large structural element in unemployment which needs to be tackled quite separately from any Budget judgement. The LBS Economic Outlook has an article suggesting that the long-term unemployed do develop special characteristics, which means that job creation schemes targeted at them will be less inflationary (and less expensive) than either the general infrastructure spending favoured on the Left, or the tax cuts on the Right.

measures to stimulate profit-sharing by all workers—not just stock options for executives—will turn the scales in favour of employing more workers rather than increasing pay. The Chancellor ought to steal some Whig clothes by encouraging such schemes for "social" reasons, without committing himself on the Weitzman mathematics.

Indeed, the Chancellor will not need any prodding to steer clear of any overall fiscal stimulus to demand.

With a generally good outlook for output growth, and some longer term worry about inflation, it will pay the Chancellor



Lombard Use and abuse of statistics

By Philip Stephens

THE THATCHER Government has introduced two major changes to the presentation of economic statistics since the beginning of this year. The first gives a more optimistic picture of the growth rate of Britain's manufacturing output; the second will take around 55,000 people from the recorded unemployment total from next month.

Taken in isolation and judged strictly on statistical criteria both have merits but in the broader context of the Government's treatment of official figures over the last few years they give rise to some unease.

To take the output figures first. Economists of all shades are agreed that initial estimates of manufacturing production by the Central Statistical Office have been bedevilled by under-recording.

For the latest months the figures include only a small percentage of the information which eventually flows in, while it is almost impossible to keep instant track of new industries.

To get round the problem the CSO has introduced a bias correction, which uses evidence of past under-recording and information from CBI surveys to push up the published output figures for the latest six months.

The statisticians insist that this is a perfectly reasonable way of improving the quality of the initial estimates and they have the sympathy of many outside economists.

The effect of lower oil prices on Government revenue is one-for-all. Thus the gap between rising revenue and more slowly rising spending should open up again from 1987 onwards. Indeed some forecasters are betting on £3bn or even £4bn of tax cuts in 1987, and subsequent years with an election conveniently intervening in 1988.

The threat to pre-election tax cuts comes not from the oil sheikhs, but from the political clamour to break through the Treasury's spending limits.

The Treasury would have a stronger hand if it emphasised the case for individual citizens being the best judges of how to spend their own money and did not rely so much on incentive to spend the money which are nearly as ambitious as the job creation ones of the expenditure lobbies.

The Government has already stepped back from its monthly basis the number of people out of work. The statistics now published only refer to those claiming benefit.

Decisions in 1982 and 1983 to exclude non-claimants and some unemployed aged over 60 from the register reduced the recorded level of unemployment by 350,000.

The independent pressure group, has tracked 15 changes since 1979 in the way that the official statistics are compiled. As a result it estimates that the number of people out of work is about 400,000 higher than the official figure.

The Employment Department itself acknowledges that if international, rather than peculiarly British, statistical conventions were applied in the annual labour force survey the jobsless total would be around 150,000 higher than that shown in its monthly figures.

Equally worrying is that while the official jobless figures are becoming a much hazier guide to the state of the labour market, government ministers are giving much greater attention to employment statistics.

These will now be published on the same day as the jobless figures and undoubtedly given much prominence. But, as any Whitehall statistician will readily admit, they contain a huge element of guesswork.

The statistic of 700,000 extra jobs over the past two years so readily quoted by Lord Young, the Employment Secretary, includes a pure guess of the number of self-employed rising by around 120,000 a year.

Output figures with a bias correction, dubious unemployment figures and guesses of employment trends do not add up to a happy picture. It is hard to see the employment picture that the old adage should now read: Yes, damned lies and adjusted statistics.

Safety in the gas industry

From Mr F. J. Rooney
Sir—John Edmonds, the General Municipal Boilermakers' Union leader, believes that a privatised gas industry would be less safe than a nationalised version.

There is a sad tendency among union leaders (e.g. Aslef, NDM) to overplay the safety card. "Lower safety equals higher profit"—really? I suspect this prejudice also enjoys the unspoken sympathy of the accountancy profession.

First, consider Mr Edmonds' member, Safety, like quality, is free. The cheapest, safe, way is also the cheapest way: 98 per cent of accidents are due to the unsafe acts of people—not equipment. We need state-of-the-art equipment to be sure, but poor safety is caused by poor training, supervision and morale; certainly money can be saved short-term in these areas but as with quality, a management pursuing such a policy will ultimately fail.

Secondly, consider consumers. I have little first-hand knowledge of the gas industry (except as a reasonably satisfied industrial and private consumer) but I think that the intended sell-off will leave little room for "in-for-six months" managements. Consumer protection also has the ultimate backup of the law.

Stuck to the politics and economics Mr Edmonds on this issue, on these grounds, my campaign certainly has my support, because I do not believe enough competition between fuels can be engendered to overcome inefficient duplication of resources in a fragmented industry or the complacency of a private monopoly.

Frank Rooney, Kimberley-Clark, Prudhoe Mill, Princess Way, Prudhoe, Northumberland.

Letters to the Editor

From Lord Kaldor
Sir—There is no point in continuing the correspondence with Professor Maynard and I regret that I ever began it. I must however point out in parting that I never said or implied any such nonsense as he (February 20) attributes to me that "OECD countries, apart from the UK, did not suffer from economic recession following the oil price rise in 1978-80."

I argued that the sharp recession of the UK economy in the first two years of Mrs Thatcher's reign was due to Mrs Thatcher and had nothing to do with the second "oil shock" nor was it part of a "worldwide recession" since there was no such recession in that period. Moreover, the UK economy began a steady recovery after the second quarter of 1981, whereas the European recession had only just started.

I could also have said, more simply, that unlike other OECD countries we (as oil producers and exporters) stood to gain

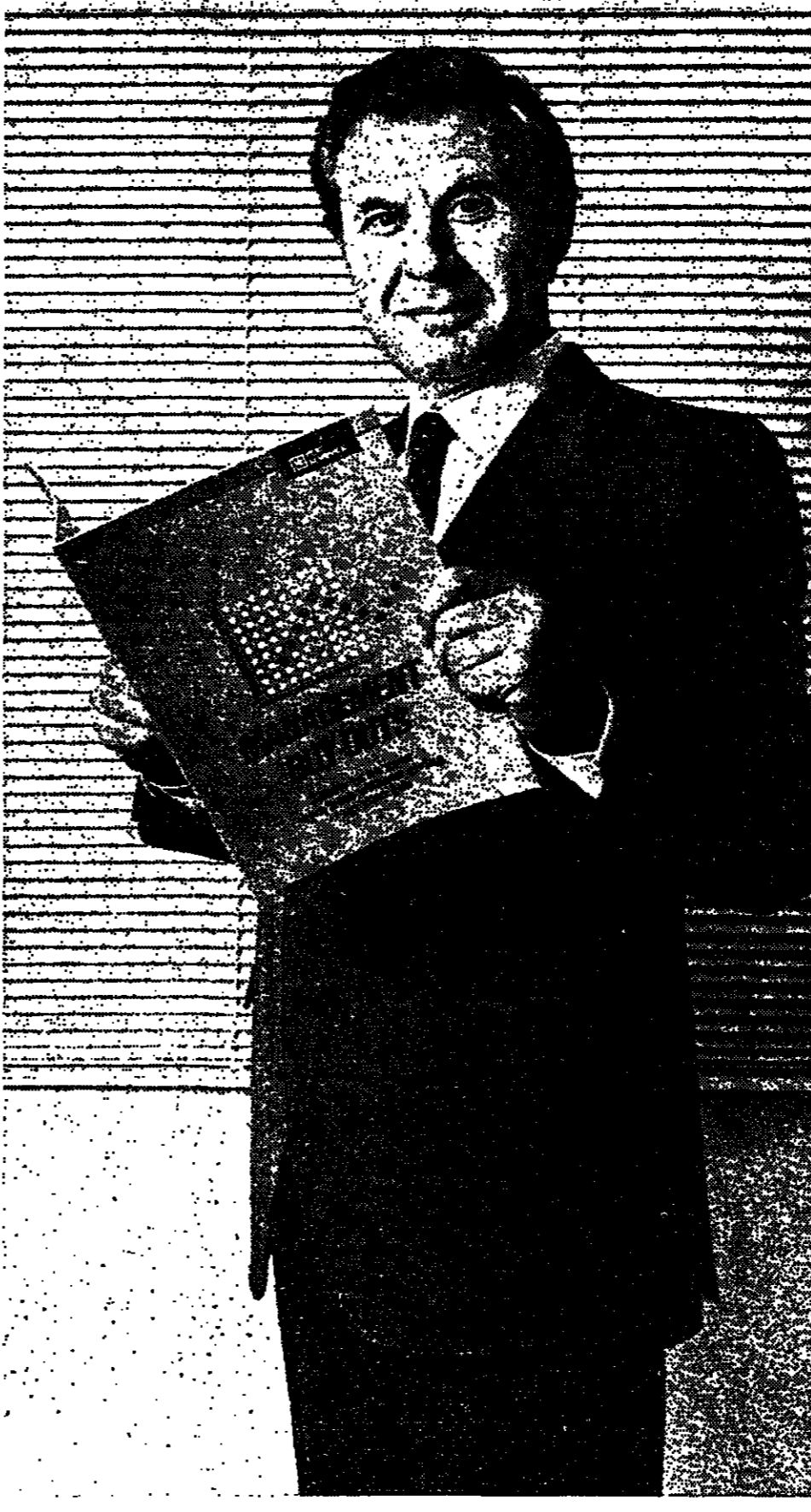
Asset stripping of forests

From Mrs M. Davies
Sir—Andrew Gowers reports (February 18) that the Forestry Commission is believed to be considering the sale of more woodland in the light of advice from Mr Ian Coutts, a Norwich accountant. He did not mention that Mr Coutts is, in fact, a Forestry Commissioner.

In the past there has been concern about sales of Forestry Commission land and further sales of these state assets would attract more disquiet. People feel that benefits directly accrue to ordinary citizens from the enormous potential for recreation in these forests.

In addition, it seems there is no suggestion that the state forestry operations are run less competently than they would be under private ownership. Private forestry needs the support of generous grant aid and tax benefits which might have to be increased to ensure proper management of Britain's woodlands. In the overall balance, public ownership seems to offer such clear advantage to the British public that sale of any more forests should be condemned as asset stripping.

M. M. Davies, 3 Arnett Close, Rickmansworth, Herts.



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PEAT MARWICK

Why switchboard calls cannot be diverted from empty offices

From Mr J. P. Compton
Sir—Your correspondent J. Larkman (January 27) asks why he is not allowed to use his own telephone system to divert incoming calls to another number, enabling a 24-hour service to be given, including times when his company's offices are unstaffed. He is right that this is not an allowed feature of any telephone switchboard ("PABX") currently approved for general use in the UK. But this is not because it is directly excluded by British Telecom's operating licence nor indeed by any other licence under the Telecommunications Act. Rather it is a question of the procedures for approving apparatus that is connected to BT's network—PABXs are not at present approved for call diversion.

It would be possible to allow call diversion simply by making suitable alterations to the various telephone switchboard models available in the UK. So the question becomes: why is this apparently simple step not taken?

The laws of physics mean that telephone calls unavoidably deteriorate in quality as they pass along the cables that link subscribers to their local exchange. Approval requirements have been very carefully co-ordinated with British Telecom's internal network planning so that when approved telephones, switchboards and the like are used at both ends of a call, the result will usually be good, and even in the worst case will be acceptable. Some users already complain about the quality of telephone calls. If approval requirements were significantly relaxed the proportion of unsatisfactory calls would rise substantially adding to the inconvenience of all users and having a marked adverse effect on the efficiency of the business community in Britain. Regulatory requirements have been designed to prevent this from happening.

When a call is diverted it is bound to travel over at least two extra local exchange lines (even if more if a second diverter is at work). Unless the diverting apparatus takes rather special steps to compensate for the loss in call quality this entails, a significant proportion of diverted calls will be unacceptably poor. Technically it turns out to be very difficult to achieve this compensation because of limitations inherent in the two-wire transmission system used for local exchange lines. Ofel knows of no switchboard apparatus which is claimed to provide such compensation. In those cases where diversion could be accomplished it would be done by the direct, uncompensated interconnection of exchange lines.

The Government has judged that the deterioration which would result if uncompensated call diversion were generally allowed would unacceptably harm the interests of the whole community of telephone users. Work is well in hand, within the framework of the British Standards Institution, to draw up technical rules for properly compensated call diversion which could in due course be used to approve suitably equipped switchboard apparatus. But until this work is complete manufacturers have no target to design to nor are approval procedures available to cope with a diversion facility. In the meantime British Telecom offers a call diversion service in which calls are diverted at the exchange without making the additional journey to and from the user's premises. Perhaps this could meet Mr Larkman's requirements.

J. P. Compton, Director, Non-PTO Licensing and Attachments, Ofel, Holborn Viaduct, ECI.

DAL-ICHI SECURITIES CO., LTD. Dal-ichi Europe Limited: Durrant House, 8-13 Chiswell Street, London, EC1Y 4TD UK

FINANCIAL TIMES

Thursday February 27 1986

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US ASKED TO BACK INTEREST RATE CEILING ON DEBT SWOLLEN BY OIL PRICE SLUMP

Mexico seeks \$9bn refinancing

BY DAVID GARDNER AND ROBERT GRAHAM IN MEXICO CITY

MEXICO is seeking US backing for a \$9bn rescue package of new money and emergency assistance following the collapse of the international oil market.

The principal US concern is to ensure Mexico is treated as a special case and is not seen as a precedent for other Latin American debtors.

The bulk of the funds sought, \$5.5bn, are to cover the forecast oil revenue shortfall, which President de la Madrid said would be \$6bn.

burden of about \$2bn now being sought, Mexico's new money requirement is \$7bn.

US rejects Soviet doubts on summits

By Stewart Fleming in Washington

THE WHITE HOUSE yesterday rejected Soviet suggestions that there would be little point to a second summit meeting in the US this year.

The White House response to the question mark that Soviet leader Mikhail Gorbachev has raised over the planned meeting with President Ronald Reagan came as Mr Reagan was preparing to launch a new campaign for the continuation of his build-up in defence spending.

Mr Reagan was scheduled to appear on US television last night to make a 20 minute address defending the huge expansion in the Pentagon budget since he came into office.

Mr LARRY SPEAKES White House spokesman, said Mr Reagan would underscore the relationship between American military strength and US ability to make progress in arms negotiations with the Soviet Union.

In his budget message to Congress earlier this month, Mr Reagan called for a 12 per cent rise in defence spending, authorisations between 1986 and 1987 and a rise of more than 40 per cent between 1986 and 1991.

Even Congressmen sympathetic to defence build-up have described the President's budget request as politically unrealistic. Congress is looking for major budget savings aimed at reducing the federal deficit, and the Gramm-Rudman-Hollings budget reform law has established the principle that half the savings should come from defence.

Mr Speakes said yesterday that Mr Reagan would only make passing reference in his speech to the change of government in the Philippines and to his \$100m request for the Contra rebels in Nicaragua.

French SDI condition, Page 2

Ulster Unionists call one-day strike against Anglo-Irish pact

BY OUR BELFAST CORRESPONDENT

PROTESTANT supporters of Northern Ireland's union with Britain yesterday called a one-day strike for Monday to disrupt industry, transport and electricity supplies in protest against last year's Anglo-Irish agreement.

Mr James Moynihan, the Official Unionist Party leader, announced the strike in the Northern Ireland Assembly little more than 24 hours after he and the Rev Ian Paisley emerged from talks with Mrs Margaret Thatcher, the Prime Minister, to report they had avoided deadlock with the British Government.

It appears that hard-line elements, especially in Mr Paisley's Democratic Unionist Party, have held sway over the leadership, persuading them to intensify the campaign against the Anglo-Irish accord.

The agreement approved last year by the British and Irish Parliaments gives the Dublin Government a policy-making role on certain matters concerning the province, including security, politics and the administration of justice. The

province's Unionist MPs resigned their Westminster seats to protest against the accord, and all but one were returned to office last month in special elections which they promoted as a referendum on the agreement.

Mr Moynihan insisted yesterday that Monday's stoppage would be voluntary. He said there would be no illegal action, nor any involvement by paramilitary groups. The strike would be rigidly controlled by elected politicians.

The Confederation of British Industry (CBI) and other employers' bodies immediately appealed for companies to stay open. They warned the strike would lead to lost orders and deter new investment.

A general strike by Ulster Protestants in 1974 brought about the collapse of the Sunningdale agreement, a British initiative for power-sharing between Protestants and Roman Catholics in the province.

The attitude of the Unionist leadership in the wake of Tuesday's talks with Mrs Thatcher changed sharply during a meeting in Belfast of the Unionist joint working party,

which co-ordinates the campaign. There was strong pressure on the leadership to agree to "add muscle" to their protest.

Mr Moynihan yesterday denied that he had bowed to the hardliners but said: "We agreed with Mrs Thatcher to a period of reflection and to meet again shortly. The period of reflection has been somewhat shortened because the working party believed, in the light of the Prime Minister's refusal, to cease implementing the agreement, that there was very little point in reflecting further or having another meeting."

The CBI's Northern Ireland Council asked people to consider the damage which a strike would have. It said the Government could be in little doubt about the extent of opposition to the accord and a strike would not change attitudes. It might, however, change the minds of businessmen about making sorely needed investments.

High Carney reports from Dublin: The Unionist decision was greeted with dismay in Dublin where hopes had been high on Tuesday of progress on the Anglo-Irish agreement.

Canada acts to cut back deficit

BY BERNARD SIMON IN OTTAWA

CANADA'S Finance Minister, Mr Michael Wilson, yesterday proposed a wide range of spending cuts and tax increases in a budget designed to allay international concern at the Federal Government's uncomfortably high budget deficit and debt burden without provoking a backlash from domestic pressure groups.

The measures include higher personal income tax rates, the withdrawal of numerous tax concessions to individuals and companies, reduced foreign aid and slower growth in defence spending.

Wilson estimated that the budget deficit would decline from C\$4.3bn (US\$2.4bn) in the year to March 1986 to C\$2.9bn in fiscal 1987 and C\$2.2bn in 1988.

A sharp fall in the value of the Canadian dollar and a subsequent jump in domestic interest rates have increased pressure on Ottawa in recent months to come to grips with the deficit which is proportion-

ally one of the highest among industrial countries. The Government estimates that the budget will reduce the deficit from 7.6 per cent of gross national product this year to less than 4 per cent at the end of the decade.

It proposes a 3 per cent surcharge on personal income tax from July and a similar surcharge on companies from next January 7. The federal sales tax, levied on manufacturing, will go up by one per centage point.

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Danes set to vote for EEC reforms

Continued from Page 1

sovereignty of the Folketing and on the strong grass-roots ties of Danish democracy.

Finally, there are the Nordic and neutralist opponents of the package - the former still banking after a Nordic alliance instead of the EEC, the latter fearful of any moves to reinforce political co-operation with big powers such as Britain, France and West Germany.

A clear Yes vote in the referendum will mean that whole coalition of dissatisfaction will have been outweighed by brutal economic pragmatism. Danish voters simply

cannot ignore the very large economic benefits of EEC membership and the very real cost of any threat to quit.

The European Commission office in Copenhagen said the average net annual income of Denmark from the EEC budget over the 13 years of membership has been about Dkr 25bn (\$301m), thanks largely to the export subsidies and guaranteed prices of the Common Agricultural Policy.

There seems very little to put on the debit side. Denmark's trade def-

icit, a constant feature of life for more than 20 years, has not appreciably improved since EEC membership. Danish fishermen hated the introduction of the quota system under the Common Fisheries Policy. But they admit that if it did not exist, and they were not EEC members, the Jutland fishing industry would be decimated by its probable exclusion from EEC waters.

Indeed, many believe that a substantial Yes vote in the referendum will be the death knell for the anti-market movement.

Egyptian security forces riot

Continued from Page 1

Two hotels, the Jolieville and the Holiday Splyns at Giza, were heavily damaged. Foreign guests said that units of the Central Security Forces stormed in late on Tuesday, shooting and starting fires. Houses, night clubs and apartment blocks were also attacked. The historic Mena House hotel was slightly damaged.

Factories and other installations were reported to have been attacked in the industrial area of Helwan and a train set on fire.

Western military sources said there were normally up to 500,000 conscripts serving in the Central Security Forces, which comes under the Ministry of the Interior. They receive the equivalent of

about \$1.50 a week and two meals a day.

Cairo was last hit by serious rioting in January 1977, following a government decision to reduce subsidies on basic foodstuffs in order to combat critical balance of payments problems.

Whatever the political outcome of the continuing fighting, it is certain to worsen Egypt's deteriorating economic situation. Tourism, which had been expected to earn over \$1bn this year, is certain to be badly hit.

Egypt has, in the past month, also been forced by falling prices to cut its oil exports by nearly half. With foreign currency reserves of about \$700m, equivalent to one month's

Digital and US officials 'acted illegally'

By Ivor Owen and Raymond Snoddy in London

A BRITISH MP is to submit evidence to the Department of Trade and Industry (DTI) alleging that US Government officials were involved in illegal activities jeopardising Systime, once the UK's second largest computer manufacturer.

Mr Michael Meadowcroft, a Liberal, outlined a series of allegations in the House of Commons on Tuesday against the US Government and Digital Equipment Corporation (DEC) of the US, Systime's major supplier and controlling Government.

He said that British Government inaction had led to the application of extra-territorial US legislation imposing US law on UK exports and even UK citizens. Mr Meadowcroft said DEC and DTI officials and ministers had been involved in "illegal, improper and indecisive activities" which had damaged Systime.

The British company's payroll had been reduced from 1,200 in 1984 to about 400 at present. At the end of last month it was announced that Systime had sold a substantial part of its business to DEC in settlement of a £5m suit for the alleged copying of computer equipment.

The British company grew rapidly selling mini-computers based on hardware made by DEC. After Systime started selling its own equipment DEC sued for £5m claiming that Systime had copied its printed circuit boards.

In the House of Commons, Mr Meadowcroft claimed that: "The UK Government had specific knowledge of the illegal removal of documents from Systime in Leeds to the US and of 'improper interference' in UK domestic affairs by two US embassy officials, Mr Jack Lacey and Mr Timothy Deal."

"Systime had been 'fatally damaged' because of a sustained campaign - 'much of it illegal' by DEC. Mr Pier-Carlo Falotti, European vice president of DEC, had told DEC staff: 'I want you guys to go out and kill Systime.'"

"A private detective agency, Network Security Services, working for DEC, had claimed that Systime was an illegal pirating DEC software on a large scale and had exported 200 DEC computers to the Eastern bloc disguised as junkboxes. This was said to have been discussed at a meeting attended by Sir Geoffrey Sterling, the DTI special adviser representing 10 Downing Street and the DTI."

Between 1983 and July 1984, Mr Meadowcroft said, DEC obtained Systime's crucial customer list, and it is alleged that Systime's offices in Washington DC were broken into or that staff were bribed.

In Leeds, Systime's own shipping files were apparently raided and documents removed.

Those two sets of documents, Mr Meadowcroft said, with the report used in the meeting attended by Mr Sterling, were given to the US Department of Commerce in Washington. The department then began an investigation of Systime.

In July 1984 UK Customs officers acting on advice from the US Government raided Systime in Leeds but found that the key shipping documents were not there. It was later discovered they were already in the US being used as evidence against Systime.

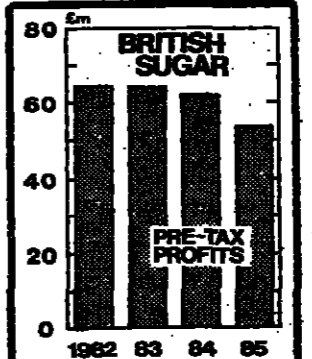
Mr Richard Martin, director of Corporate Communications at DEC, said yesterday the company could not comment on the "highly coloured allegations" until it had seen the full text of the allegations. DEC said Mr Meadowcroft had produced allegations against DEC without cross-checking his facts.

"Two weeks ago we offered Mr Meadowcroft the opportunity to hear the facts of the case. So far he has shown no interest in taking up our offer. Perhaps the facts of the case would have impeded the path of publicity for Mr Meadowcroft," Mr Martin said.

THE LEX COLUMN

Romans return to Peterborough

S & W Beristford has never felt quite at home in the stock market. The company has consistently protected both its business and its balance sheet while the market has complained at Beristford's privacy and - increasingly - at its performance.



should see earnings back up to a current-best £1.55 or so. On yesterday's Amsterdam price, down half a guinea, Philips has still to regain its traditional market premium.

Dollar

It is exactly a year since the dollar, apparently unstoppable in its ascent, touched DM 5.48. With the heading speculation which brings despair to believers in rational markets, the dollar is now falling just as fast as it was rising 12 months ago, having already given up over a third of its then value.

Mr Volcker's evidence yesterday spoke of stability, but when taken together with recent statements from the Administration - looking for a still lower exchange rate and forecasting a virtually unchanged trade deficit - it could have only one effect: "Volcker agrees with Baker."

Philips

Philips' difficulties with its US semi-conductor operation were so well advertised in the course of last year that yesterday's preliminary figures, showing a 17 per cent drop in net income for the year (to £1 910m) and a 6 per cent decline in the fourth quarter were well anticipated. Even a halving of historic cost per share earnings was swallowed in the US without a quail.

While Philips is promising nothing on its integrated circuits business, it has gone a long way to turning round its consumer electronics empire. Free of last year's heavy provisions and swelled by the forced consolidation of Polygram, the division turned into profit for the first time since 1982. Working capital ratios may have been widely flattered by an appreciating guilder, but so long as Philips goes on hammering away at its stock market, the improvement this year should be substantial, the cynicist, also venture with Sony looks a much better bet than ever did the Philips video-cassette recorder. Meanwhile, even the mature appliance and lighting businesses showed margin improvements.

Philips will argue, as forcefully as Siemens, that it cannot afford not to go on committing resources to microchips; but even without any great improvement at Signetics, this year

Oppenheimer "Excellent overall performance." This was a recent description of Oppenheimer's investment achievements over 1985, a year when our European Growth Trust out-performed all other authorised unit trusts in the UK.

World Weather table with columns for location, temperature, and other weather-related data.

World Weather continued with more locations and weather data.

Vertical advertisement on the right edge of the page, partially cut off, mentioning 'Inv Sp High' and 'Balden'.

JOBS

Bugs on the market · FMCG · Stockbroking

BY MICHAEL DIXON

ASKED how they feel about bugs, most readers prone to 'fu and the like would probably say they would cross busy streets to avoid them. They may therefore be surprised to hear that some folk are so possessive about the wretched things that they have an itch to know their own bugs from other people's.

That is partly why the Bio-Technica company of Cardiff has passed the £1m turnover mark within two years of starting. It has developed a way of branding micro-organisms so that, should they be the subject of tug-of-love actions in courts of law, there can never be a case of mistaken identity. Like wise their offspring from generation unto generation.

"Mind you, it's not good for sexual reproduction," says Stirling Hogarth-Scott, the managing director. "If you personally want to know who's your father, there are better ways of finding out. But if you happen to be a plant, or something else which reproduces asexually, it's just the ticket. So people who develop or produce novel organisms—a high-yielding strain of wheat, say—can protect their property. You can already patent such things, in the US at least."

Besides the bug-branding process, the company owns a couple of hard-working weenies which respectively help farmers to make better silage and do what fertiliser does, though in a dif-

ferent way, to crops such as soya beans. A third product is soon to emerge from the pipeline. Sales are growing in the United States and Europe as well as in the United Kingdom and BioTechnica is keen to begin strategically developing potential markets worldwide.

So Dr Hogarth-Scott has come to the Jobs column in search of a commercial manager for the company, which is a good example of a co-operative venture between the business world and academia. Its research and development chief, for instance, is Professor Howard Slater of the University of Wales Institute of Science and Technology.

The recruit will work closely with the sales manager of the 50-employee concern in planning and arranging fruitful matches between its products and market opportunities internationally. Candidates should be conceptual thinkers who have done the same kind of work profitably in an industry using a complex technology, perhaps chemicals, and be capable of swiftly learning the ins and outs of another one. Numeracy is essential. Foreign language skills would be an advantage.

Although no target in terms of figures is being set initially, whoever gets the post will be expected to achieve a marked expansion of markets across the world within a couple of years.

The salary range in mind is £25,000-£35,000. Other benefits will include a car and membership of the company-wide stock option scheme.

Inquiries to Dr Hogarth-Scott at BioTechnica, 6 Chiltern Close, Llanishen, Cardiff CF4 5DL, telex 497244, and telephone 0222 796716 (although he will be away from his office until Monday).

Variations

HEADHUNTER Brian Standing has a taste for metaphor. "The orchestra is assembled," he says, "they all have first-class instruments; we now seek a first-class conductor."

After which it makes me feel pedestrian to tell you that what the maestro will be directing is a factory making fast-moving consumer goods of the non-food variety in north-east England. It constitutes a division of a UK group which Mr Standing may not name. So, as is ever the case in this column when recruiters keep their client's identity under wraps, he promises confidential treatment to any applicant who asks for it.

The plant, whose products are changed fairly often, is being re-equipped. New notes are apparently being struck, too, in the division's style of direction. Some of the workforce are finding it difficult to keep in tune, but whether any

of them are on the fiddle I do not know.

The incoming manufacturing director will be responsible to the divisional MD for quickly establishing full harmony, although probably without too much stick-waving because the headhunter says that section-leaders and the like need to be given more responsibility.

Another prime task will be cutting in new equipment and product lines while maintaining sound quality and seeing that the tempo of production does not slip.

Candidates should be able to show they know the score by having profitably managed production in a comparable setting. An engineering qualification is wanted. Familiarity with computer applications, tooling, packaging, plastic moulding techniques and light engineering markets would help. No prima donnas.

Salary negotiable around £25,000. Car among perks. Brian Standing is also offering another job, this time in north-west England although again with a non-food fast-moving consumer goods company. The need here is for a thoroughly seasoned personnel manager, versed in all parts of the craft, able to take charge of and develop the company's whole personnel function.

The salary indicator is around

£20,000, again with a car among the other benefits.

Inquiries to Standing Executive Search Associates, 85, Wyncombe Road, Marlow, Bucks SL7 3HZ; telephone 06284 5931; telex 847159 Marlow G.

Analyst

WHILE it may seem self-centred to say so, it occasionally strikes me that one of the qualities which characterise us journalists is a tendency not only to drink our own bath-water, but also to thrive on it. And as it happens, today's next job calls for that quality with a vengeance.

Offered by recruiter Frances McNulty of Cripps, Sears and Associates, it is for a journalist who earns his or her near-living as a specialist writer producing into the business affairs of the newspaper industry, with allied interests in other publishing as well as printing and packaging.

Such a person is wanted by an unidentified London stockbroker as a lead analyst. (The word before "analyst" is presumably pronounced lead and not lead.) Which reminds me of a poster I once saw, showing a mass of determined orientals marching forward and bearing the banner: "In Socialist China the workers take the lead." Underneath was scribbled: "In capitalist Britain they also take the zinc, copper, iron, floor-

boards and the fillings out of your teeth."

The lead analyst will produce in-depth reports on the financial and market strengths and likely future directions of companies in the sectors mentioned, and present them to a variety of clients. If the recruit really knows which way the newspaper industry is going, the Jobs column would welcome relevant extracts from the reports sent under plain cover — with the employer's agreement, of course.

Salary not quoted. My estimate is £25,000-£30,000. Inquiries to 85-89 High Holborn, London WC1V 6LH; Tel 01-404 5701, Telex 893155.

and all that jazz

WAY down yonder in New Orleans (yes, really!) a stockbroker has asked UK recruiter Iain Cunningham to send over "several" internationally knowledgeable senior brokers as well as juniors. Support would be given to those needing to study for US professional qualifying exam. The firm plans to open a London office soon.

Seniors on commission only with \$60,000 minimum expected. Juniors on \$24,000 plus bonus for first 18 months. Inquires to IPP (UK), 133 Middlesex Street, London E1 7JF; Tel 01-283 1555, Telex 22861.

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44 Carter Lane, London EC4V 3DQ. Tel: 01-236 7307
Representative Associates New York & Tokyo

CHIEF MANAGER Corporate Finance

Circa £35,000 plus benefits City

The TSB England and Wales require a senior experienced banker to fill the above mentioned appointment.

The responsibility includes the development, direction and control of commercial lending within the Bank. This will require substantial domestic lending experience and a knowledge of international capital markets.

The applicant will also be expected to participate in the promotion of the Bank's services and generally supervise the marketing activities of the lending function.

Apply in writing enclosing a full curriculum vitae, including details of present remuneration, to H. B. Nichol, Personnel Controller, TSB England and Wales, P.O. Box 99, St Mary's Court, 100 Lower Thames Street, London EC3R 6AQ to arrive no later than 12th March 1986.



Our client is an International Bank with world-wide representation; its Head Office being in continental Europe. The bank has a record of success in commercial and merchant banking over many years and continues to expand its activities both in London and overseas.

Current plans for development in London include an increased commitment to the investment sector, as a result of which the following appointments mark the first stage:

Investment Manager

To control a small but expanding team advising on and selling UK and European equities and fixed interest stocks mainly to financial institutions. Trading in such securities is not precluded in the near future. Also, there is a growing emphasis on increasing volumes of business with private customers and on portfolio management. As there is already a satisfactory level of activity and income, the duties of the appointed individual will be to develop the scope of the

department on many facets, in co-ordination with colleagues in other countries and to ensure the full exploitation of the Bank's potential in those areas in which it has much to offer.

This appointment offers challenge and opportunity in a soundly based environment. The remuneration package is negotiable and will reflect the importance attached to the assignment. It will include normal bank fringe benefits. (Ref. AR/1501)

Institutional Sales U.K. & Europe

Due to the increasing volume of business being generated by our client's investment area, there is an immediate requirement for two additional sales executives. Candidates are likely to be graduates with 1-2 years experience gained in either the U.K. or European markets. They must be self starters, with a

commitment to the establishment of sound business which will contribute to the on-going development of the bank's investment interests. Linguistic skills, particularly in French or German, will be advantageous but not essential. Salaries will be competitive and include a good range of bank fringe benefits. (Ref. AR/1501)

Please reply in confidence, quoting the appropriate reference to David Grove, Consultant to the Bank, by telephoning 0753 869346 or in writing to: March Personnel Services, 12 Sheet Street, Windsor, Berks. SL4 1BG. Interviews will be held in London.

MARCH
PERSONNEL SERVICES

Eurobond Settlements

Major International Bank City of London
£18,000-£20,000

A leading international bank which enjoys a high reputation in both primary and secondary markets plans to appoint a deputy head to its bond settlements department.

With a team of twelve, you will assist the Head of Department in providing the settlements service required by the bank and in particular the recording, processing, accounting and settlement of all bond transactions. Liaison with the bond and

forex dealers, reconciliations, schedule preparation and safe custody control are further job requirements. Promotion prospects are excellent in an expanding bank.

You must offer a minimum of five years experience and familiarity with all aspects of international bond settlements.

To apply, please telephone or preferably write quoting Ref: DC 066.

Lloyd Chapman Associates

International Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-408 1670

FLEMINGS

HIGH TECHNOLOGY INVESTMENT BANKING

Robert Fleming is a major U.K. based merchant bank with significant activities both in the U.S.A. and the Far East. The Group wishes to recruit an additional member to its expanding Corporate Finance Department who would be an executive in a team responsible for finding, creating and evaluating high technology investment banking propositions.

The successful candidate, preferably aged 25-30, is likely to have a degree in a scientific subject. He or she should have experience of working with international technology related industries and preferably will have

had exposure to these industries in the U.S.A. or Japan.

He or she needs to be articulate, literate and of a strong personality so as to be able to make a case positively to senior members of the organisation or its clients. The position will require close liaison with our offices in the U.S.A. and the Far East.

Applicants of either sex should write enclosing their C.V. to

Frank Smith,
ROBERT FLEMING & CO. LIMITED,
8 Crosby Square,
London, EC3A 6AN.

Shepherd Little & Associates Ltd Banking Recruitment Consultants

BOND SETTLEMENTS — MANAGER to £30,000

A key post with a major investment house, emphasis in this case centres on leadership, innovation and promotion potential combined with a broad knowledge of today's securities market. This firm is keen to identify tomorrow's senior manager and would expect to recruit someone from another bank or investment firm on the leading edge of today's changing financial services industry.

FOREIGN BONDS — MANAGER £18,000+

As a result of promotion, this leading investment banking firm requires a new manager of foreign bond settlements. Candidates, in their thirties, must have sound managerial experience and a good understanding of selling deals through the various European bond clearing houses. This important appointment forms an integral part of the management structure in one of the City's fastest growing firms.

INTERNATIONAL EQUITY SETTLEMENTS £17,000+

A challenging role with one of the City's large U.S. investment firms building a substantial presence in international equity trading. They wish to recruit a good man-manager who can bring in-depth experience to their support function, he/she must have a sound knowledge of the complexities involved with settling trades in various currencies worldwide.

U.S. EQUITIES — OPERATIONS £14,000+

A senior position within a very fast growing U.S. equities trading section, current experience is called for and should cover the following: trade confirmation and instructions, opening new accounts, settlements, follow up to fails, client and trader liaison. Candidates in their late twenties or early thirties must be prepared to work hard and get ahead in a professional and expanding environment.

For the above positions please contact David Little

FINANCIAL FUTURES SALES/TRADING £neg.

Our Client, a leading U.S. company has an opening for a person with at least 2 years experience from within a financial futures trading environment. A person with experience of U.S. based financial futures will be offered further trading exposure to other of our clients products which include Eurodollar, Eurobonds, interest rate swaps, U.S. equities, metals etc.

Please contact Brenda Shepherd

SECURITIES DEALER £neg.

This rapidly expanding team requires an additional securities dealer to take responsibility for the buying and selling of securities on behalf of the bank's private clients. Experience of the English, Swiss and American markets would be an advantage as would some stockbroking knowledge.

Please contact Ian Remondson

LEGAL EXECUTIVE c£25,000

This is a senior banking appointment to take overall responsibility for a department of 12 personnel which includes legal professionals. A person aged around 40 years with AB/ACS or legal qualification who is well versed in legal matters from a banking environment will qualify. The department handles all the bank's legal affairs ranging from mortgages and debentures, the perfection and charging of security in respect of overseas registered companies, documentation through to providing advice to branches on lending and recovery matters outside of their scope. The Head of Department will coordinate the whole operation, formulate procedures and also handle complex cases for the UK and international branch network.

Please contact Paul Trumble

Ridgway House 41/42 King William Street London EC4R 9EN
Telephone 01-626 1161

Group Financial Director

International specialty retailer

London-based

up to £35,000 + equity opportunity + car

Our client is a rapidly expanding multi-unit specialty retailer with annual sales of £40 million.

An opportunity now exists for a Financial Director to join the London-based headquarters of this ambitious international company.

Candidates should be qualified accountants with at least ten years' commercial experience — ideally gained in retailing.

They should also be well versed in computerised financial

systems, able to undertake a reasonable amount of travel, and preferably familiar with an international environment.

A knowledge of German, whilst not essential, would be a distinct advantage.

The usual executive benefits including car, private health-care and pension scheme will apply.

Please write enclosing full CV to the address below, including contact phone numbers and quoting ref: P3024/FT on the envelope.

PA
PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 8880 Telex: 27874



INTERNAL AUDITORS

The Bank of Credit and Commerce International is further expanding its Audit Division. Applications are invited from Chartered and Certified Accountants who have had at least two years internal audit experience preferably of financial institutions.

Chartered Finalists with sound audit background will also be eligible. Applicants should be prepared to travel both within U.K. and abroad.

Age not exceeding 27 years.

The compensation package will be fully competitive.

Eligible candidates should apply latest by 31st March 1986 at the following address with C.V. and a passport size photograph to:

Mirza I. Ahmad,
Central Audit Division,
Bank of Credit and Commerce International S.A.,
Licensed Deposit Taker,
100, Leadenhall Street, London EC3A 3AD.

Assistant Company Secretary

London SW1 c£25,000 + car

British multi-national manufacturing group (turnover in excess of £100 million) seeks an Assistant Company Secretary to carry out the wide-ranging functions associated with this position in a PLC with acquisition plans. Successful performance will lead to the appointment as Company Secretary within 12 months. Preferred age 30-40.

Candidates will be ACIS, qualified accountants or honours graduates in law with company secretarial experience. They will presently be Assistant Company Secretaries in large groups or Company Secretaries in smaller organisations. A thorough knowledge of the duties involved, experience of dealing with advisers and high technical competence are essential.

For full job description write in confidence to W.T. Agar at J&C Selection Consultants, 104 Marylebone Lane, London W1M 5FU, showing clearly how you meet our client's requirements, quoting 2248/FT. Both men and women may apply.

J&C

John Courtis and Partners

U.S. Fund Manager

Our client, a City based Financial Group, are currently seeking to expand their Investment Department. The successful applicant will be part of a small team managing both trading and long term international investment funds.

Applications are invited from high calibre graduates or professionally qualified candidates with at least five years relevant fund management experience gained with a City institution. A good knowledge of the US market is essential and applicants should be capable of accepting the high degree of personal initiative and accountability expected.

The conditions of service are attractive and include a competitive salary, mortgage assistance and a company car.

Confidential Reply Service: Please write with full CV (including reference 0286/DT on your envelope, listing separately any company to whom you do not wish your details to be sent. CV's will be forwarded directly to our client, who will conduct the interviews. Charles Barker Recruitment Limited, 36 East Street, Bromley, Kent BR1 1QS.

CHARLES BARKER
ADVERTISING-SELECTION-SEARCH

Japanese Speaker International Capital Markets

An entry level position exists for a fluent speaker of Japanese to train as a Eurosecurities Sales Executive within a major international investment bank in London.

The ideal person is likely to be between 22 and 30, a graduate from a prime Japanese University, have a keen interest and basic understanding of the international capital markets. He/She can expect a realistic basic salary, full bank package and substantial potential earnings.

For further details please write or telephone me on the number below during office hours.

Paul L Boucher



Rochester Recruitment Ltd,
22A College Hill, London EC4R 2RP
Telephone: 01-248 8346

CHURCH ADAMS TATHAM & CO

COMPANY COMMERCIAL AND COMMERCIAL PROPERTY LAWYERS

We are looking for partnership calibre solicitors with relevant experience for our expanding Company Commercial and Commercial Property Departments in our London office. For each post a minimum of two years' experience since qualification is required but both vacancies may be of interest to more senior applicants with an established clientele in the relevant field.

Please write with curriculum vitae to:

Gordon R. Jones

Church Adams Tatham & Co.
10/12 Ely Place, London EC1

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Please write giving us details of your experience, or call us on (01) 729 5642

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Shipping Consultancy

SHIPPING ECONOMICS ADVISORY GROUP
(SEA GROUP)

the consultancy arm of Lloyd's of London Press Ltd
requires additional Analysts to assist in
developing this fast-growing organisation

These appointments, which are London-based, involve assisting our Consultant team with the research and analysis necessary to fulfil client projects, serving the business development requirements of shipping and its associated industries.

Candidates must have the ability to relate directly to clients at all levels and ideally have appropriate statistical experience in the planning or market research fields of these industries. Knowledge or experience of micro-computer-based applications would be very helpful.

In addition to a highly competitive salary the range of benefits offered includes a non-contributory pension scheme, generous lunch allowance, annual bonus, free life assurance and season ticket loan.

Please write in complete confidence to:

Mr W. J. Harding
Personnel Manager
Lloyd's of London Press Ltd
Sheepen Place
COLCHESTER
Essex CO3 3LP

LLP
Lloyd's of London Press

Jonathan Wren Quantitative Analyst

A leading Accepting House is placing greater emphasis on quantitative techniques in its stock selection process. Consequently, it is developing its capability in the area of quantitative analysis and wishes to recruit a high calibre individual with several years' experience in this area.

The individual selected will make an important contribution to the fund management team's equity stock selection process and will work closely alongside a group of highly motivated fund managers. He/she will be given considerable freedom to develop the existing process, and high levels of imagination and drive are required, as well as a thorough knowledge of quantitative techniques.

This is an important appointment and a very attractive package will be offered to the right individual. Contact Mark Forrester.

All applications will be forwarded to our client. Please advise if there are banks by whom you would not wish to be considered.

SYDNEY

Jonathan Wren
Recruitment Consultants
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

HONG KONG

ACCOUNT MANAGER Scandinavia

City **£30,000+**

Our Client, a significant and highly successful international bank, seeks to appoint a senior lending banker to market its products in Scandinavia.

Essential to the role as envisaged in this new appointment will be the development of corporate business throughout the Scandinavian continent, together with Scandinavian banks and subsidiaries based in the UK—considerable travel will be involved.

Candidates, probably graduate bankers, will possess a strong background in credit and marketing, preferably with experience of the Scandinavian sector. Self-sufficiency and initiative are obvious essential requirements, as are maturity and well-developed negotiating skills.

This is a challenging opportunity for personal growth and reward, with an attractive salary accompanied by a panoply of traditional banking benefits, fully-expensed motor car and bonus.

Contact Norman Philpot in confidence
on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside - London EC2 - Telephone 01-248 3812 3 4 5

Management Consultants - Executive Search

Chief Executive - Construction



Salary in the range £40,000 to £50,000 + share options

The EBC Group plc has a consistent record of growth and success since its foundation in 1939. It now has a turnover of around £60m and four trading divisions—contracting, building and maintenance, development and housing, and specialist services. Principal trading areas and company offices cover the South and Western Counties, and there is a national capability in some activities. This post reports to the Chairman, and the vacancy arises because of an impending retirement. Responsibilities will include both the complete control of the company's trading operations, with over 1000 employees, and the development of policy and strategy for future growth in turnover and profitability.

Candidates should be in the 40-50 age range, and educated to degree level, with corporate membership of a recognised and relevant professional institution.

Broad experience at senior level in the construction industry is important, but the right blend of business and organisation skills, and personal qualities of vision and leadership are equally essential.

This is an excellent opportunity to join a highly successful, expanding, well-managed company in a position which is central to its future development.

A highly competitive remuneration package will be offered, including company car, private health insurance, share option participation and relocation assistance to this very attractive South West location, based on the cathedral city of Exeter.

PA

Please write or telephone for an application form or send detailed CV to C. W. Theaker, at the address below quoting ref: GM80/9728/FT.

PA Personnel Services

Executive Search - Selection - Psychometrics - Remuneration & Personnel Consultancy

6 Highfield Road, Edgbaston, Birmingham B15 3DJ
Tel: 021-454 5791

Senior Trader Japanese Yen Securities

Our client is the investment banking subsidiary of a major US bank with a substantial London based trading presence. Due to expansion they require a senior trader to manage their primary and secondary market positions in Yen instruments. The role includes establishing strategies, interlinking with other areas of the bank and managing a team of professional traders.

Exceptional knowledge of Japanese domestic and international capital markets gained over at least five years is essential. This must be combined with strong dealing abilities and the persuasive skills necessary to package, negotiate and sell complex transactions. Experience of developing and managing a team in a high pressure trading environment would be a considerable advantage.

Salary package, including substantial bonus potential, is fully negotiable and will reflect the seniority and importance attached to this role.

Interested applicants should contact Christopher Smith or Sally Poppleton on 01-404 5751, at 39-41 Parker Street, London WC2B 5LH, quoting ref: 3605.



Michael Page City

International Recruitment Consultants - London Brussels New York Sydney
A member of the Addison Page PLC group

INVESTMENT ANALYSTS

Why be a No 3 when you could be a No 1?

OPPORTUNITY:

An independent stockbroking firm with substantial international business wishes to recruit three Analysts with experience in the engineering, property and retail sectors. Knowledge of the Pacific Basin region would be helpful.

CONDITIONS:

If you are working in a large institutional research department, you might welcome the opportunity for greater responsibility in a smaller firm. We offer a highly competitive remuneration package and stimulating working conditions for the successful applicants.

APPLICATIONS:

Please apply in strict confidence with a brief to Box A0061
Financial Times, 10 Cannon Street, London EC3P 4BY

TREASURY/CASH MANAGEMENT

INVESTING
INSTITUTION

Our client, a pre-eminent City based institution with very substantial funds under management, on a global basis, and an enviable reputation, seeks a high calibre individual to take day to day responsibility for the Treasury/Cash Management team.

Candidates will probably be in their late twenties or early thirties and will have an absolute minimum of three years experience. This may have been gained in either a City or commercial environment and will have included exposure to all relevant instruments and markets, such as Gilts, FRNs, FX, Futures and Options. Maturity and good communicative skills are also important.

The successful individual will take day to day responsibility for a small but well established Treasury Management team, including involvement in the control and monitoring of dealers and positions. The job also involves running a currency trading portfolio and responsibility for profit reporting.

The long term prospects are very good and remuneration including basic salary, pension and cheap house loan will be made attractive to the right individual.

Please telephone or write to Stephen Embleton, as advisor to the company, who will treat all enquiries in strict confidence.



Rochester Recruitment Ltd, 22A College Hill, London EC4R 2RP
Telephone: 01 248 8346

**Austin
Knight
Selection**



LEADING FINANCIAL ANALYST

c. £16,500 + car + top prospects
in a multi-national industrial setting

Just one year ago we combined, world wide, the capabilities of two industry leaders - Case and International Harvester. Together we form a multi-billion dollar market leader in agricultural and construction equipment. We are maximising the cost-effectiveness of our manufacturing plants throughout Europe and are poised to capitalise on all our advantages.

Re-organising our combined strengths has created an opportunity to head up a small team within our newly formed European Finance Directorate at Walton-on-Thames where, incidentally the working environment is extremely pleasant and attractive.

Essentially, this is a position for a justifiably ambitious young qualified accountant, already competent at supervising professional staff and now looking for fast moving career development in a European context.

You must be equipped to provide senior European management with firm, on-time financial information packages covering forecasts, critical analyses, consolidated budgets and capital projects.

We'll be looking for the creative business flair to develop proposals for profit improvements, plus a level of presence and articulacy that will earn you the confidence of senior managers internationally.

Aged around 30, you'll probably have had about three years' post-qualification experience of financial planning with a major, preferably multi-national, manufacturing organisation, though you could be a senior auditor in a professional firm whose clients fit that description.

The salary and benefits package we are offering is excellent and includes company car, private medical care and relocation assistance where appropriate.

Please send your c.v. to our Consultant, John Faith at Austin Knight Selection, 17 St. Helen's Place, Bishopsgate, London EC3A 6AS, quoting Ref: 157/JF/86 or telephone him on 01-628 5021.



case ih

CREDIT ANALYSTS

£12-16,000 p.a.

Two first-rate European Banks have instructed us to introduce well-educated, ambitious bankers, mid to late 20's, with relevant credit analysis experience.

One is to join a professional team within the Credit Department of a major bank, whilst the other is for a person to be the sole analyst supporting marketing officers in a progressive bank, offering anticipated progression to Account Officer status.

Gordon Brown
Bank Recruitment Consultants
57/59 London Wall, London EC2M 5TP
Telephone: 01-628 4501

MERCHANT BANKING SOLICITORS AND ACCOUNTANTS

The Project Finance department of a leading City Merchant Bank has played a major role in capital projects worldwide, providing powerful financial modelling facilities. They seek a Solicitor and an Accountant, aged 25-28, with entrepreneurial flair and experience within a City firm.

Promotion will be rapid for the individual who is confident, articulate and capable of taking the initiative. Ideal for a positive thinker wishing to develop into a deal-making banker. Competitive salary and banking benefits including subsidised mortgage scheme.

For further information, please ring Sara Bossey

18, Eldon Street, Moorgate, London EC2M 7LA. Tel: 01-886 4224

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RECRUITMENT CONSULTANTS

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Financial Director

Retail Industry
c. £30,000, car

This is the rare opportunity to join a new venture and this appointment will complete the senior management team. The successful candidate will be responsible for introducing and managing the financial, IS and administrative functions which will provide the appropriate controls for a progressive retail company. Candidates, probably in their early/mid 30's, must be of graduate calibre and possess a professional accountancy qualification. Experience should include senior financial line management, preferably within a successful retail organisation, with well developed computerised systems.

Vital personal qualities include a high intellect together with the communication and leadership skills to exploit the outstanding potential of this position.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to H.W. FitzHugh, Hoggett Bowers plc, 1/2 Hanover Street, LONDON W1R 9WB. 01-734 6852, quoting Ref: 20318/FT.

ASSISTANT FUND MANAGER

West End **£ Negotiable**

Financial
Sector
Human
Resources

Our client, a diverse U.K. based Financial Institution currently seeks someone to play an active part in its International Fund Management Team.

Your background may be on the dealing side or perhaps in portfolio administration, but investment market experience gained in the last 2/3 years is an essential prerequisite.

The position will require the successful candidate to work closely with the Fund Managers, the variety of contacts necessitating particularly strong inter-personal skills.

If you possess a high degree of numeracy, creative flair and can show a depth of knowledge of today's financial markets, then please write to Robert Winter at MCP Consultants enclosing your C.V. and quoting Ref: 21496 or telephone 01-405 9000.

MCP
MANAGEMENT
CONSULTANTS

Lawrence House 51 Gray's Inn Road London WC1X 8PP

THE NEXT WAVE

FINANCIAL CONSULTANTS

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Prospect of future equity share.



Metapraxis is a young and fast-growing management consultancy. We specialise in helping the directors of multinational companies to improve the presentation of financial information and the quality of corporate control. For this we have developed the next wave of top management techniques:

- * **RESOLVE:** a corporate and financial control system for personal use by Board directors.
- * **THE INTEGRATED BOARDROOM:** a design expertise for innovative Boardroom computer-based information display.

We launched these techniques in 1985 and are currently implementing them for over a dozen international organisations, including one of the largest UK clearing banks and also the economy of a developing country.

We are now looking for **PROJECT CONSULTANTS** and **TRAINEE CONSULTANTS** to deal with all aspects of the client relationship, from initial meeting and discussion through to project proposal, acceptance, implementation and support. The work is extremely demanding and requires creativity and a very high level of personal drive and commitment.

The right candidates can expect to enjoy an exceptionally rapid career progression with the prospect of an equity share in our future expansion. If you feel that you score well against these criteria, please telephone Kirstie Harrison to ask for background information on Metapraxis. If this stimulates you to consider a career with us, then write to the Managing Director, Robert Britton, enclosing comprehensive career details, indicating which position is of interest, and explaining why your track record and personality should be of value to us.

Metapraxis Ltd., Hanover House, Coombe Road, Kingston, KT2 7AH Surrey. Tel. 01-541-1686

All candidates should:-

- be familiar with Head Office information and budgetary control;
- be adept at the critical interpretation of management accounts;
- be equipped with a practical multi-disciplinary approach;
- be aged 25-35 with a First/2.1 degree, or MBA.

TRAINEE CONSULTANTS should have 2-3 years of industrial experience, preferably including interaction with Head Office on issues such as capital expenditure and annual budgeting. After a training period they can expect to be promoted to **PROJECT CONSULTANTS**, where they will spearhead the implementation of our techniques in large client organisations.

PROJECT CONSULTANTS should have 4-5 years practical experience in areas such as strategic planning, acquisition analysis and financial monitoring. After training they can expect rapid promotion to **SENIOR CONSULTANTS** where they will be personally responsible for a number of major accounts.

Unit Trust Sales

The City and Manchester/Leeds

Fidelity International, one of the fastest growing unit trust management groups in the UK, is looking for a number of proven, experienced, sales executives to join both its highly successful insurance broker sales team based in the City, and to spearhead a new sales office being opened in the Manchester/Leeds area.

The positions entail selling Fidelity's full range of unit trusts and specially designed computerised investment management services to insurance brokers and financial advisers throughout the UK. A knowledge of the investment industry is essential, together with proven selling ability, an outgoing communicative personality and a dedicated commitment to both a high level of client service and professionalism.

Financial rewards will not only fully reflect the seniority of the positions advertised but also your own achievements and Fidelity's determination to be one of the key players in the unit trust industry over the next decade. If you have the right career background and are between 25-45, start the next phase of your selling career by selling yourself to Fidelity International - send a full cv to Les Hart, Fidelity International Management Limited, 25 Lovat Lane, London EC3R 8LL.



Appointment of Assistant Secretary

Applications are invited for the office of Assistant Secretary of the Society and comparable appointment in the Society's associated organisations. The duties compare to those of an assistant managing director of a company. Combined salary and fees will total not less than £24,000 per annum. In addition there are contributory pension benefits, Society car, and concessional mortgage facilities. The administration office of the Society is based at Leicester. Relocation expenses would be paid where necessary. Applicants, who should be under 45 years of age, must possess professional qualifications of practical value in the business of a Friendly Society or the life branches of insurance. A background of accountancy, investment or marketing experience at executive level would be appropriate. Company secretary qualifications and experience are not of themselves sufficient for the position. Written application, giving full particulars of age, marital status, professional qualifications and experience must reach the Society by 1st April 1986 under sealed cover addressed to:-

The Chairman, Selection Committee,
Hearts of Oak Benefit Society,
129 Kingsway, London WC2B 6NF.

endorsed "PERSONAL - Assistant Secretary" in the top left corner. The Selection Committee will choose a short list and the final selection will be made by the Delegate Board assembled for the Annual Meeting of the Society in the first week in June. All candidates, if selected, must be prepared to give an undertaking to attend this Annual Meeting. The Society is an equal opportunity employer.



Hearts of Oak

Benefit Society
in association with
LONDON ABERDEEN & NORTHERN MUTUAL
ASSURANCE SOCIETY LIMITED and
HEARTS OF OAK TRUSTEES LIMITED.

CJA

RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-638 9216

Opportunity to head and build Fixed Interest team of rapidly expanding Investment Management Group



FIXED INTEREST FUNDS MANAGER

LONDON

£30,000-£40,000 + CAR

INVESTMENT MANAGEMENT DIVISION OF MAJOR INTERNATIONAL BANK.

Success and plans for greater long term growth of the Investment Division result in the need to further strengthen Portfolio Management capability and expertise. For this new appointment we seek Honours Graduates with a mathematical bias, A.C.A.s or trained Actuaries, aged 26-30. We require not less than 3 years as an analyst with a financial organisation noted for its record in this field and at least 2 years in the management of significant international fixed interest portfolios. This is likely to have been gained as deputy in the F.I. discretionary fund management operations of a leading financial institution, insurance company or pension fund. Reporting to the Head of Investment, the successful candidate will be responsible for the monitoring of Eurobonds, Gilt and all major global fixed interest markets and for the direct management of the Division's fixed interest investments. The ability, as a specialist, to contribute significantly to overall investment policy, based *inter-alia* on an informed view of international economic and interest rate trends is essential. Analytical and presentation skills are vital together with the capacity to innovate and instil client confidence. Initial salary negotiable £30,000-£40,000, car, mortgage facility, pension, life assurance, family medical insurance and assistance with relocation. Applications, in strict confidence, under reference FIM4403/FT to the Managing Director.

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-638 9216.

COMPUTER AUDITOR

c.£20,000

The Organisation:
An English-registered International Bank established in the City of London since 1919, recently moved to prestigious new freehold premises.

The Job:
A new position within a small internal audit department, the job will include the introduction of C.A.A.T.s, and the monitoring and appraisal of new and existing systems.

- The Requirements:**
- Minimum 4 years auditing experience of which at least 2 years in computer audit, preferably gained in an established computer audit department.
 - Conversant with computer audit techniques.
 - Degree standard, preferably in a relevant subject.
- The successful applicant is likely to be an ACA or ACCA and to have bank audit experience (gained either internally or in the profession).

The Benefits:
Include staff mortgage and personal loans; non-contributory pension scheme; free medical insurance.

If you are interested in this position please send a comprehensive c.v. to: Joan Budgen, Personnel Manager, Moscow Narodny Bank Limited, 81 King William Street, London EC4P 4JS.

VENTURE CAPITAL IN THE SOUTH WEST



Dartington & Co Limited provides a range of merchant banking services to small and medium-sized companies in the South West of England. In 1984 it established Avon Enterprise Fund as an institutionally-backed venture capital fund to invest sums from £25,000 upwards in new and growing companies in Avon and its surrounding counties.

Avon Enterprise Fund has now grown to a point where it is necessary to recruit an ASSISTANT FUND MANAGER to work alongside the Fund Manager in all aspects of the business.

Candidates for the post of Assistant Fund Manager should ideally fulfil the following criteria:

- educated to degree level
- recently qualified accountant or MBA
- some experience of smaller company investigation work
- able to work flexible hours under pressure with a minimum of supervision
- age up to 30

Salary will be in the range of £12,500 to £15,000 plus car.

Candidates should write in strictest confidence to: D W R Johnstone, Managing Director, Dartington & Co Limited, Bush House, 72 Prince Street, Bristol BS1 4QD.



QUANTITATIVE INVESTMENT TECHNIQUES

Barings' Investment Group, which has over \$9 billion under management, is currently embarked on a programme to implement quantitative approaches to investment and has created a special team for this purpose. The approaches include screening techniques for equity selection, portfolio optimisation and risk analysis, and the development of a variety of passive and quasi-passive investment strategies. To handle these operations it has set up a Local Area Network of IBM Personal Computers.

These activities are rapidly expanding, and an additional team member is now sought.

The successful candidate will be numerate, (although with a degree not necessarily in a mathematical subject) and will almost certainly be used to working with personal computers. He/she will probably have some experience in security investment, and would certainly be encouraged and expected to extend knowledge and understanding across the broad field of investment and would be given training to develop this.

Salary will be a.a.c. and other benefits include mortgage subsidy, non-contributory pension scheme and BUPA membership.

Please send C.V.'s to:
P. K. Woolley, Director,
Barings Brothers & Co. Limited,
8 Bishopsgate, London EC2N 4AE.

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Please apply by letter enclosing a c.v. to
BRISTOWS, COOKE & CARPMAEL
10 Lincoln's Inn Fields, London WC2A 3BP
Telephone: 01-462 0682 (Ext. 304/5)

SYNDICATE COORDINATOR

A leading international investment group requires a syndicate coordinator liaising with international offices. U.S. Syndicate Marketing and International Research Group. Incumbent will be responsible for preparing reports on statistical data for Syndicate Marketing - applying Account Executives of current Syndicate Marketing support unit for assistance of research, sales and traders, and monitoring of technical and research opinions for Account Executives and Traders.

Applicants, aged 25-30, educated to degree standard with at least four years' experience (some of which should be gained in a U.S. environment) in equity trading and research, should write in strictest confidence, enclosing curriculum vitae, to Box A.0066, Financial Times, 10 Cannon Street, London EC4P 4BT.

OUR CLIENT, A REPUTABLE OVERSEAS TRADING COMPANY, ARE SEEKING AN EXPERIENCED, SELF-MOTIVATED FUTURES TRADER

Candidates should have a sound track record in practical currency and/or commodity trading and in-depth knowledge of the Point and Figure method and their practical use in accordance with Sirren M. Ockman's books on the subject. Fluent Swedish or Norwegian is essential. Salary circa £20,000 plus profit share.

All replies in writing to Box A0063, Financial Times
10 Cannon Street, London EC4P 4BT

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Financial Controller

up to £30,000 + car Surrey

The Milk Marketing Board is the dairy farmers' organisation for England and Wales and has a turnover in excess of £2000m p.a.

This new appointment reports to the Managing Director of Milk Marketing with a functional responsibility to the Group Finance Director. The successful candidate will be responsible for the overall control of financial management and services to all the Milk Marketing Divisions, and as part of the senior management team, will help the business to develop within a sound financial framework. The Financial Controller will also provide detailed accounts for consolidation, for the Board to meet its statutory and legal accounting requirements.

Candidates should be qualified accountants with at least 10 years' experience in the management of all finance and accounting functions - ideally involving some exposure to the dairy industry. First class communication and man-management skills and an understanding of modern data handling and business systems are essential.

Excellent benefits are those appropriate to a major company and include a car and relocation expenses where appropriate.

Please write with full details to: G. E. Annett, Personnel Manager, Milk Marketing Board, Thames Ditton, Surrey KT7 0EL.

This is a re-advertisement. Previous applicants need not re-apply.



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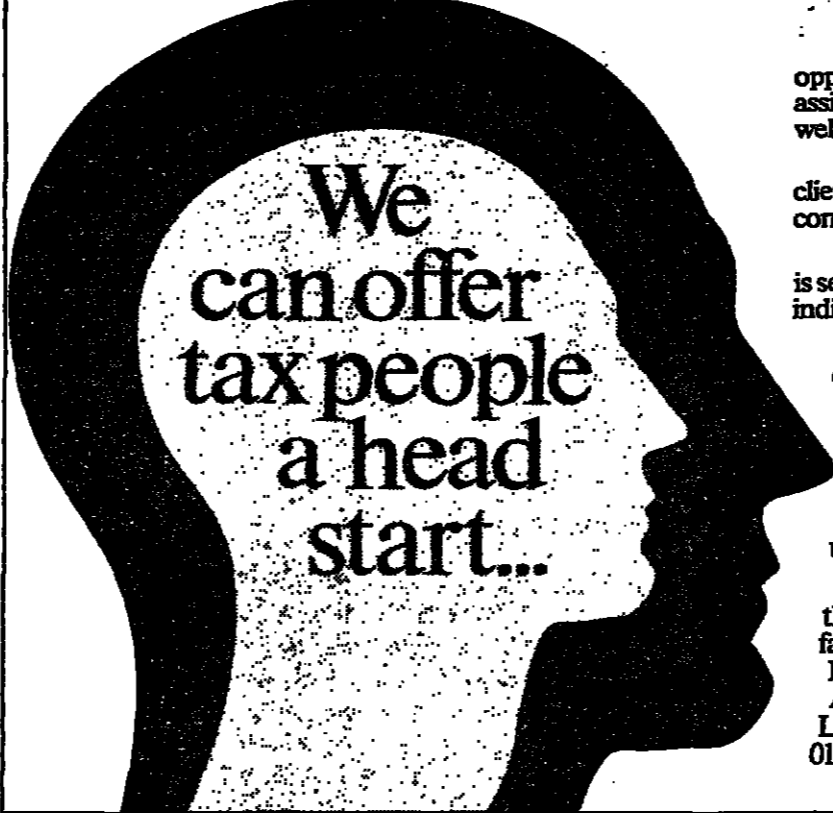
We are a major international bank with investment funds under management now totalling £1.5 billion.

In order to develop further our UK unit trust business we are looking for two additional broker sales executives, to join Grofund Managers Ltd, part of our highly successful investment management division.

With sound investment background in established companies, in-depth knowledge of the unit trust market and a broad network of contacts in the financial intermediary sector, you will be expected to make an immediate contribution to the growth of GROFUND.

Please telephone or write in confidence to:
Anthony Fraher, Director
GROFUND MANAGERS LIMITED
Pinners Hall
8-9 Austin Friars
London EC2N 2AE
Tel: 01-588 5317

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In terms of training, you'll find our commitment to your development is second to none. We devote time, effort and expense to meet your individual requirements.

As for our requirements, we're looking for business-minded chartered accountants in their 20s and 30s, who are keen to work as part of a cohesive, friendly team constantly exchanging knowledge and ideas. You will be able to obtain the very best from your own ability and find real job satisfaction.

We believe that the opportunities in tax with Arthur Andersen are exceptional. Why not see for yourself by spending time with us, talking to a cross-section of our team.

As a first step to an opportunity that's not just better, but better by far, write to Faith Jenner, Divisional Personnel Manager - Tax, Arthur Andersen & Co., 1 Surrey Street, London WC2R 2PS, or call her on 01-438 3517.

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Capital Markets Executive

You will work as part of a team responsible for developing the full spectrum of Capital Markets products in the highly competitive and complex environment of today's international marketplace.

In supporting the team's business development activity, you will undertake market and new product research; prepare proposals and client status reports; and work on the documentation associated with transactions. The opportunity for you to become directly involved in marketing will be available and you will also be given formal Capital Markets training.

Educated to degree level or equivalent, you should have 1-2 years' merchant or investment banking experience, preferably, though not essentially, in Capital Markets. You will also be highly numerate and creative, with excellent interpersonal and analytical skills. Career development prospects for the talented and ambitious are exceptional.

A competitive remuneration package is offered reflecting experience and the level of appointment. Excellent benefits include mortgage subsidy, non-contributory pension scheme and family medical care.

Please write with full personal and career details to:
Janice Caplan, Assistant Director, Personnel,
Samuel Montagu & Co. Limited,
114 Old Broad Street, London EC2P 2HY.



SAMUEL MONTAGU

CREDIT ANALYST

Package up to £15,000 + car
An excellent career opportunity in finance

Chartered Trust plc, one of the country's foremost finance houses, is a wholly owned subsidiary of Standard Chartered Bank, one of Britain's major international banks with assets exceeding £28,000 million. We have an excellent opportunity for a credit analyst at our Head Office in Cardiff.

Reporting to the Manager, Industrial & Commercial Credit, the successful candidate will be part of a small team responsible for:

- the detailed credit assessment of applications for corporate advances and credit monitoring and review of existing major advances
- the assessment and analysis of major corporate customer trading markets
- assisting with the development of computer based credit monitoring and appraisal systems
- assisting with the training of field staff in relation to the appraisal of corporate financial information and the assessment of credit risk.

This challenging opportunity, which offers excellent prospects of promotion and development, should appeal to candidates who are professionally qualified (ACA, ACCA or ACIS). A business related degree would be an advantage. A minimum of 2 years' relevant experience is required, ideally in a corporate financial appraisal capacity. Candidates must have a mature, self-assured approach coupled with an ability to liaise effectively with senior management. Regular visits to corporate customers throughout the United Kingdom are involved.

The competitive benefits package includes a company car, eligibility to join a subsidised mortgage scheme and generous assistance with relocation expenses, where appropriate. Cardiff offers an excellent choice of housing in one of the most attractive parts of the country.

Please apply to: Mr. P. R. Symes, Training & Development Manager, Chartered Trust plc., 24/26, Newport Road, Cardiff, CF2 1SR. Tel. (0222) 484484, extension 2120.



FUND MANAGEMENT

Director of Private Client Department

A long established Swiss fund management company is seeking a director to head up the private client department of its London office. Applicants should have a high level of experience in handling private client accounts with a stock broker or investment management company. He or she should have the ability to take responsibility for all aspects of stock market and fixed interest transactions. Experience in client liaison and marketing are important and candidates who have their own clients/funds under management will be particularly well positioned for this post.

An attractive remuneration package will be offered. Applications in writing, together with a full Curriculum Vitae should be submitted to the Company Adviser, Andrew Ramage, Streets Advertising Limited, 120-122 Seymour Place, London W1H 5DJ. Please state clearly any companies to which you do not wish your application to be forwarded.



120-122 Seymour Place, London W1H 5DJ Telephone: 01-723 7090

FOREIGN EXCHANGE DEALER

City bank, UK subsidiary of foreign bank, expanding its Dealing Room operations seeks Foreign Exchange Dealer, with at least three years' experience in active trading environment, with a view to managing profitably discretionary clients' accounts.

Age: 25-29 preferable
Salary by negotiation with bonus potential
All applications treated in strictest confidence

Write Box A0062, Financial Times
10 Cannon Street, London EC4P 4BY

CAPITAL MARKETS

A leading London-based money broker requires two to three specialists in Interest Rate and Currency Swaps, Euro-Notes and Interest Rate Options. Applicants should have one to three years' experience as principal/broker in one or more of the above.

Please write Box A0067, Financial Times
10 Cannon Street, London EC4P 4BY

DATASTREAM VALUATION CLERK

As a result of promotion, Charles Stanley & Co. seek a senior Valuation Clerk with some experience of Datastream to work with the Head of Department. We are a friendly and lively firm. Ring or write to Mrs. J. Voak (before 3 p.m.).

Charles Stanley & Co.
18 Finsbury Circus
London EC2M 7BL

SWISS EQUITY SALESMAN

First-class Swiss financial institution seeks equity salesman for its Swiss brokerage services to UK, USA and other international institutions. Based in the City offices of a small but rapidly growing company, the successful applicant will be responsible for setting up and developing the business. He or she will probably be in the 25-35 age group and already working for a first-class international firm. Knowledge of French and willingness to travel is a prerequisite.

Please apply with confidential cv to Box 0050, Financial Times
10 Cannon St, London EC4P 4BY

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For a confidential interview ring:
Ian Jamieson on 01-255 9725

Company Secretary

Edinburgh base

Our client, a major quoted Investment Trust, with approximately £500m under management, offers an opportunity to join an expanding organisation with an exciting future.

The successful applicant will be responsible for all administrative and secretarial duties in relation to the Trust, which include the preparation and maintenance of all statutory and management accounts, including Stock Exchange and taxation matters. Additionally, he/she will be required to administer the existing assets under management and any future new business.

Applications are invited from professionally qualified accountants with appropriate experience in the investment field. In addition to a competitive salary, the post carries a number of attractive benefits, including a bonus scheme, car and pension scheme.

Please write with full career details. These will be forwarded direct to our client. Please list separately any companies to whom your application should not be sent. Ann Herbert ref. B2345.

This appointment is open to men and women.
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Research Analysts

£20,000

A newly established company involved in the credit assessment of corporate borrowers seeks two Analysts to become important members of their small start-up team. You will be required to assess the financial status of these borrowers through investigation of reports and direct contact with Board members and senior staff of the companies concerned. You will also liaise with established sister companies throughout the World.

To fulfil this role you should have previous experience and familiarity with financial statements, which will include credit assessment. Of importance also will be self confidence, an enquiring mind, common sense, and the motivation to succeed. Age will not be a determining factor. These positions offer excellent opportunities for advancement, and carry the particular attraction of joining a company at its inception. Contact Richard Meredith.

All applications will be treated in strict confidence.

SYDNEY

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170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

CAPITAL MARKET SPECIALISTS

We would be very interested to hear from Executives with proven Capital Markets experience in Sales or Trading of all relevant (Fixed/FRN/Convertible) instruments in the major currencies. At Zarak Hay's new offices, we will be available to discuss with you the many opportunities existing in this continuing growth area.

For a discreet and informal discussion, please ring Jim Adams (Director) on 01-638 9265 or 01-638 0494, or write to him at Zarak Hay Associates Ltd., Recruiting and Financial Recruitment, 6 Broad Street Place, Blomfield Street, London EC2M 7JH.

Zarak Hay Associates Ltd

Corporate Finance

ASSISTANT DIRECTORS AND MANAGERS

Lloyds Merchant Bank seeks to recruit additional support for its successful Corporate Finance team.

Our requirements are at Assistant Director and Manager levels, and we shall be pleased to receive applications from interested candidates.

Attractive remuneration packages will be offered, and will be based on seniority and experience.



Lloyds Merchant Bank

Applicants should apply in writing, enclosing Curriculum Vitae to:
R N Dowler
Senior Assistant Director, Personnel
Lloyds Merchant Bank Limited
40-66 Queen Victoria Street London EC4

MERCHANDISING OPPORTUNITY Rubber Division

Applications are invited from candidates having at least 5 years experience in natural rubber dealing/sales. They should be experienced in sourcing product from a variety of origins. They should also possess a sound understanding of foreign exchange and money markets. Proven ability to develop relationships with customers is a requirement.

The remuneration package will be commensurate with experience and ability, including a comprehensive benefits package.

The benefits package includes private medical cover, in-house catering, sports complex with swimming pool, exceptional office accommodation, well placed for tubes, bus and M4.

Applicants should submit detailed curriculum vitae to:

The Manager
Human Resources Department
Cargill UK Ltd
3 Shortlands, London W6 8RT

All applications treated in the strictest confidence.



Accountancy Appointments

Furnitureland Finance Director (Designate)

South London c. £23,000 + Car + Share Option

This small but growing retail furniture company is anticipating a substantial increase in size over the next couple of years and a placing on the USM. A Finance Director is required who will be responsible for all aspects of the company's financial affairs and for developing policies to meet future requirements. As a key senior management appointment, the role will also include company secretarial responsibilities, as well as advising on business and financial decisions and liaising with the company's external advisers.

The successful candidate will be a qualified chartered accountant, aged 28-35, with first-class technical

accounting ability and well-developed interpersonal and communication skills. Drive, self-confidence and a forward thinking approach are also essential.

Please reply in confidence, enclosing career details and quoting reference 2615/L, to Anne Routledge, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

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Director of Finance and Administration

Communications
Consultancy

London

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+ Car



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The company is a young, expanding and profitable communications consultancy; it provides a complete range of services in the field of corporate and financial communication. As a member of a soundly based group of companies it has an impressive range of clients. The company is dynamic and is seeking to combine its entrepreneurial drive with tight financial and administrative control.

The Director of Finance and Administration will play a key role in the small management team. Reporting to the board through the MD, with secondary reporting responsibility to the Group Finance Director, the successful candidate will provide accurate and meaningful financial information. A prime task will be the review and development of systems and controls in order to ensure the efficient operation

of both the finance and administrative functions. Constructive input to the operation of the company will be expected.

Candidates should be qualified accountants in their mid 30's. A proven ability to develop and implement successful administration systems would be beneficial. Experience of a fast moving professional service is desirable, but the essential qualities are initiative, drive and the intellect to tackle a wide variety of tasks.

Please reply in confidence, giving concise career salary and personal details, quoting Ref. EP838 to Michael Fahey, Executive Selection, Arthur Young Management Consultants, Flocks House, 7 Flocks Buildings, Foster Lane, London EC4A 3WT.

Tax Advisor

Central London

The merger of Chevron with Gulf has led to considerable expansion of our oil production and exploration activities in the North and Irish Seas.

This growth and our commitment to remaining in the forefront of the industry have created opportunities for experienced professional staff within our headquarters organisation.

This important role, within a large and busy tax team, principally involves:

- * Advising local operating management on all aspects of direct and indirect taxes as they affect upstream, downstream, and other companies in the group.
- * Providing technical support to the compliance group and participating in negotiations with

the Oil Taxation Office. The successful candidate will have gained experience in the accountancy profession or the Inland Revenue and should preferably be in his or her late 20s or early 30s.

A very competitive salary will be offered commensurate with experience, and a first-class benefits package includes generous relocation assistance where appropriate. Significant career development opportunities exist.

Please send full cv, including details of current salary, in strict confidence, to Mary Gillilan, Human Resources Department, Chevron Petroleum (UK) Limited, 93 Wigmore Street, London W1 9AA. Telephone: 01-487 8246.



Assistant Director Status Management Information - Merchant Bank

c.£23,000 + banking benefits + car

We are acting for one of the prime UK Merchant Banks seeking to recruit a Chartered Accountant for a high profile, autonomous role within their international division.

Liaising at senior level and heading a small executive team, this appointment will encompass the co-ordination of financial/management information and budgetary control. You will also be responsible for the implementation and development of effective reporting techniques, utilising various computer systems, to monitor performance and departmental profitability.

Preferably a graduate, aged 26-32, the successful candidate must be a self-starter with a Big 8 background and experience of banking and systems audit. Computer literacy, strong interpersonal skills and a creative, innovative approach are essential.

Career prospects are only limited by personal performance and ability and the negotiable salary package will include generous banking benefits and car.

Interested applicants should write to Geoffrey Rutland ACA, ATIL, Executive Division, enclosing a comprehensive C.V., quoting ref. 305, at 39-41 Parker Street, London WC2B 5LH



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City Treasurer

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The Council is seeking a forward-looking manager with appropriate financial qualifications, preferably CIPFA, and with proven experience at a senior level of financial management and control in a large local or public authority. Additionally, the postholder will lead the information technology programme and manage the central computer services facility. Interpersonal skills of a high order are essential for the manager to lead a department of over 500 staff in a progressive industrial relations environment.

As a member of the management team of Chief Officers, and responsible for the financial management of the City Council's affairs, the City Treasurer is expected to contribute to the new initiatives being developed by the Authority in economic and financial planning and information technology.

Post-reorganisation Sheffield has been nominated as the lead Authority for the administration of the County's superannuation fund.

DETAILS AND APPLICATION FORMS FROM THE PERSONNEL DEPARTMENT, TOWN HALL, SHEFFIELD S1 2HL. TELEPHONE (0742) 735417. CLOSING DATE 10th MARCH.

If you wish to discuss the post further, please telephone Rod Knowles, Chief Personnel Officer, on (0742) 734081.

City of Sheffield

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Finance and Administration Controller

up to £20,000 pa South Midlands

A new subsidiary of a major multinational company is being established to manufacture and market a range of products which will have a major impact on particular sectors of high-tech industry.

The next stage in the company's development is the formation of its management team. As a key member of that team, reporting to the Managing Director, you will be responsible for establishing and operating all management information and administration systems, and the co-ordination of legal matters.

This role is of vital importance to the company's successful launch and continued growth. As such, it offers to a young and highly motivated professional the stimulus, satisfaction and rewards of contributing to the creation of an efficient and viable infrastructure. Aged around 35 and a qualified Accountant or Chartered Secretary, you should possess considerable relevant Financial and Administrative experience ideally gained in a small company environment. Experience of successfully establishing computerised systems would be a distinct advantage.

On offer is a negotiable salary around the figure quoted, together with a range of executive benefits to be expected of a major group. Relocation assistance will be offered, in appropriate cases, to a very pleasant part of the rural South Midlands.

Austin Knight have been retained to handle initial applications. Please telephone Barrie Wit on 021-453 6255 (office hours) or 06845 66477 (evenings) or write to him with full career history quoting ref LS 166 at Austin Knight Selection, Tricorn House, 51-53 Hagley Road, Birmingham B16 8TP.

**Austin
Knight
Selection**

Financial Management Consulting

London Negotiable Salary + Car

The financial consulting group of our consultancy company has grown fourfold over the last year. Our client base is largely made up of small and medium sized companies and we specialise in company doctoring for these clients; mainly on behalf of Banks. We also have a major involvement in searching for acquisitions of private companies on behalf of some large multinationals.

To be a candidate you must be able to operate in both finance and marketing within a strategic consulting framework. Your financial experience will probably have been obtained in industry while your qualifications will be either ACCA or ACCA. Your marketing and strategy skills will have come from practical experience, a business school, or both. Previous consulting experience, while not essential, will put you at a distinct advantage.

Because of our very specific requirements we would not expect to recruit anybody under 30 years of age.

Please write in confidence submitting a concise curriculum vitae and quoting reference 80 to:

Peter Childs,
Pannell Kerr Forster Associates,
New Garden House,
78 Hatton Garden,
London EC1N 8JA.

**Pannell Kerr
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MANAGEMENT ACCOUNTING MANAGER

NORTH LONDON c. £20,000 + FE CAR

Our client is a £400m turnover company a large multiple retailer of fast moving consumer goods a recognised market leader in the UK a subsidiary of a top British group. Over the last five years turnover has trebled and, indeed, it is highly likely that you or yours have contributed and will continue to contribute to this successful company in exchange for high quality goods and efficient service.

Following internal promotion we seek a qualified accountant aged 28-35 who enjoys all aspects of management, is ambitious, is well motivated and who seeks a career move into a senior financial management position. Reporting to the Chief Accountant and with thirteen staff, including several qualified accountants, the successful candidate will be responsible for the entire management accounting function, the direction of a major mainframe systems project and above all will be expected to liaise with senior non-accounting managers assisting them in the key business decision-making processes.

In addition to a competitive salary and attractive fringe benefits the company will provide a full relocation package where appropriate. For further details please write or telephone:

JOHN KNIGHT 01-402 7162

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EXECUTIVE**

(Recruitment and Consultancy) Ltd.
10A London Mews,
London Street, London W2 1HY
Telephone: 01-402 7162

Financial Management Publishing

c. £25,000 + Car

Established in 1981, our client is a specialist publishing and information organisation. With a turnover approaching £3 million the rapidly developing company is intending further expansion internationally both through acquisition and the introduction of additional products and services.

Acting as the financial support to the Managing Director, the successful applicant will be involved in all aspects of the business. Supervising a small department, including the computer function, he or she will be responsible for and develop management information, budgets and plans and will manage the company's resources. Projects will include acquisition evaluations worldwide and the position's responsibilities will necessitate close contact with the company's clients and advisers.

Aged 28-35, applicants should be qualified accountants, ideally with commercial experience. Please write, enclosing a career/salary history and day-time telephone number to Richard Norman FCA quoting reference 1/2332.

EMA Management Personnel Ltd.
Kingsway Chambers, 44-46 Kingsway, London WC2B 6EN.
Telephone: 01-242 7773 (24 hour).

OIL COMPANY ANALYST

A state oil agency of a producing country requires a Company Analyst for the Petroleum Products Export Services Division based in London.

The successful candidate must have:

- 1 Experience in analysing all aspects of the financial position and credit-worthiness of companies primarily engaged in the oil industry, in order to be able to prepare comprehensive and accurate reports of their financial standing.
- 2 A flexible approach to carry out other functions, associated with this post.
- 3 An accounting qualification from a recognised institution.

It is essential that candidates applying for this position have a timely approach in the preparation and finalisation of the reports involved, are self-starters and can work under pressure to see that deadlines are punctually met.

An attractive salary commensurate with qualifications and experience will reflect very competitive levels within the oil industry. There is ample scope for personal development and rewards are measured strictly in line with the working attitude and performance of the selected individual.

Resumes containing a full C.V. should be sent to:
The Manager
Export Services Division
15 Knightsbridge, London SW1X 7LY

01242 7773

فوائد العمل

Accountancy Appointments

Financial Controller

London SE1 c. £20,000+car

Our clients are well known, long established and privately controlled importers and wholesalers of fruit and vegetables, operating through Covent Garden and all the other main markets in the UK. They wish to strengthen the management team by recruiting a financial controller, to be based at their head office near London Bridge.

Reporting to the managing director, the main tasks will include developing effective management information systems, introducing budgets and cash control and developing fully integrated systems, which at present are only partly computerised. The role also covers all company secretarial and administrative responsibilities, with the support of a small staff.

Applicants, preferably aged 30-35, must be qualified accountants with good experience in private companies, the maturity and determination to assume complete control of the finance function and the ability to make a constructive contribution to business growth. The long term future could be excellent for the right person.

Please write in confidence, with full career details, quoting reference 6149/L to John W Hills, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT MARWICK

Financial Executives

currently seeking

£20,000-£45,000

Cartwright Hopkins has been established to provide an executive recruitment service in a professional, personal and confidential manner. We are currently seeking to extend our contacts with qualified accountants and would therefore like to hear from qualified executives who have achieved a successful career to date and who wish to develop their careers further.

Please write enclosing a full curriculum vitae to: Philip Cartwright F.C.M.A. or Nigel Hopkins F.C.A.,

97 Jermyn Street, London SW1Y 6JE. Tel: 01-839 4572

Cartwright Hopkins

FINANCIAL SELECTION AND SEARCH

Financial Director

£25,000 p.a. Neg. + bonus + car

A widely respected company in a prestige service industry, currently poised for considerable expansion, is looking for a highly professional Financial Director. Someone with confidence, backed by experience, who can introduce new perspectives based on proven business acumen.

Reporting to the Managing Director, you will take responsibility for all Financial activities and Management Information Systems, as well as liaising with associate companies overseas.

For the high degree of maturity and initiative required, our client needs an accountant, probably chartered and aged over 35, who has worked in a service industry. Of prime importance is a broad financial background at management level with first-hand knowledge of up-to-date MIS techniques. You will be based in our offices West of London. In addition to the negotiable salary there is an excellent benefits package including a profit related bonus, company car and private medical care.

Please send your c.v., quoting Ref: 254/JE/86 to John Faith, Senior Consultant, Austin Knight Selection, 17 St. Helen's Place, Bishopsgate, London EC3A 6AS.

Austin Knight Selection

Partnership Secretary/ Director of Finance

Not less than £30,000 p.a. + car

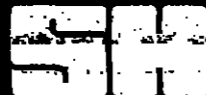
Our continued expansion has led us to create this new post which combines the administrative responsibilities of Partnership Secretary with the creative and leadership role of Director of Finance.

You will work closely with the Managing Partner in formulating well researched policy recommendations and implementing control procedures over the broad range of partnership affairs, finance and administration.

We are looking for a qualified accountant with commercial line management experience involving both senior management participation and substantial staff direction. Energy and personality to deal authoritatively with partners on matters of partnership and financial policy are as important as the ability and inclination to achieve a detailed knowledge of the functions under your direction.

This is an exciting and challenging position which will appeal particularly to someone who has worked in industry but who enjoys the atmosphere and working relationship of a professional office.

If you are interested in finding out more about the job please write to Paul Hippe, Managing Partner, 8 Baker Street, London W1M 1DA with a brief CV.



Stoy Hayward

A member of Horwath & Horwath International

Opportunities in Financial Management Consultancy

Invest your future in our success

You are a graduate with a recognised accounting qualification, and for the past two years or more you have been working in management consultancy, either for a professional firm or in internal consultancy.

During this time you have gained valuable experience in areas such as the design and implementation of management information systems, inventory control and treasury management. You've also spent some time in multi-disciplined teams with data processing professionals or organisation specialists.

Having built up that base of experience, perhaps you're now interested in broadening the scope of your skills by working in the areas of strategic planning, marketing and organisation.

Grant Thornton Management Consultants, a division of Grant Thornton - one of the top eight UK accountancy firms - are currently enjoying a period of rapid growth and expansion. For people with your experience, our London office can offer a fast-moving, challenging career with the opportunity, for those who have the potential, to take over a key management role within a short time.

If you have the background and skills we're looking for, and are looking for the place to invest them for the future, phone Anita Towell on 01-405 8422 for more information. Alternatively, write to her at Grant Thornton, Fairfax House, Fulwood Place, London WC1G 9JW.

Grant Thornton

Management Consultants

A British Manufacturer of Office Automation and Networking Systems is appointing a

CORPORATE FINANCIAL CONTROLLER ELECTRONICS

Salary c.£30,000 plus stock options

This hi-tech Public Group is based West of London and has a significant international network of subsidiary companies throughout the world. The Group has a successful record, is well known and respected and has a prestigious range of customers for its specialised products.

The Financial Controller reports to the Finance Director and has total responsibility for the day-to-day accounting, financial and administrative functions of the Group; this also involves regular contact with the management of subsidiary trading companies and liaison with the Group's professional advisors.

The successful candidate for this position must be an FCA or FCCA and have previous experience in a corporate finance role in a hi-tech manufacturing Group known for its procedures and controls. The probable age range is 35-40. This is a senior position in the Group and our Client seeks someone who can develop and grow to assume top level responsibilities in the relatively short term.

Please send full details, mentioning reference VX to:

Christopher Gold Executive Dynamics

Management Search & Selection Consultants

Finley House, 140/142 High Street, Berkhamsted, Herts, HP4 3AT

This vacancy is open to male and female applicants. No details will be passed to our client without prior permission.

Ambitious Accountant for international audit appointment

Data General is one of the world's leading computer companies with an annual turnover exceeding £1 billion, and bases in more than 58 countries internationally.

We now wish to recruit an Accountant, ACA/ICMA qualified or a good finalist, or an MBA with relevant experience, to pursue an international role in field audit throughout Western Europe and South America.

As well as undertaking general auditing assignments, you will be involved in creative work, analysing, evaluating and developing new systems to facilitate accurate, cost-effective auditing methods. A confident, self-reliant approach will be essential to success, as will good report writing skills to produce clear and concise recommendations.

Although based in London, reporting to the Director of International Audit, you will be travelling frequently

to field sites, mainly in Europe, but also to further locations - including the Far East which will provide exposure to manufacturing environments.

Naturally, we are only interested in candidates who can show a considerable understanding of large company auditing, gained either with a major accounting practice or in a large company environment.

For a young, ambitious individual, career prospects both within Internal Audit and beyond are very bright indeed. A highly attractive remuneration package is offered in return for this exciting career move.

Candidates should apply in the first instance, with full career details, to Mr Bhandari, Director, International Audit, Data General, 10 Marketers Street, London WC2R 3EE.



Data General
a Generation ahead

HIGH FLIERS c.£17,000

Due to outstanding growth, our client, a leading finance house, requires recently qualified ACAs to join its newly created corporate planning department. Principal responsibilities for these high profile roles will embrace departmental forecasts, short and long term plans, capital appraisal projects and systems development. Additional responsibilities include financial modelling on IBM micros, and special project reports. Prospects for ambitious accountants are excellent. Ref: SW.

NORTH LONDON

HIGH-TECH £17,000 + Car

This major software house requires a young qualified accountant for a management role within an expanding autonomous division. Reporting direct to the Managing Director, and effectively Financial Controller of the division, the role embraces management reporting, monitoring performance, negotiating contracts, forecasting and budgeting, together with control of four staff. Prospects are excellent; experience in an MOD contracting environment being an advantage. Ref: CR.

CENTRAL LONDON

RETAIL c.£20,000 + Car

This highly successful UK retail group continues to expand both organically and through acquisition. An outstanding opportunity exists for an exceptional young accountant at the centre of the group. Performing a mixture of analysis, control and project work you will be closely involved in group development. This high profile appointment offers exposure to top management and a recognised route to a controllership position. Ref: JG.

NORTH LONDON

ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA. 01-638 8191

ROBERT HALF
FINANCIAL RESOURCES SPECIALISTS

LONDON - WIMBORNE - BRISTOL - NEW YORK - AND OTHER CITIES WORLDWIDE

Financial Controller

West London To £26,000 + Car

The Context: Our Client - operating within a highly successful, enterprising British electronics Group - achieves a £20 million turnover through the export of manufactured goods to worldwide markets. An expansive business strategy has created the need for a commercially-oriented financial executive.

The Position: The Financial Controller - reporting to the Chief Executive - will be intrinsically involved in the development of commercial policy, particularly in relation to contracts, export practices, and the activities of foreign subsidiaries; he/she will also establish sound accounting practices and procedures, to be implemented by the small existing team.

The Candidates: Should be qualified accountants, aged between 30 and 40, with broad-ranging experience gained in an export environment. A sympathetic understanding of non-financial disciplines is essential.

Applications, please, quoting Ref: 220/1/FT, to: S.C. Mackay, Charles Barker Management Selection International Limited, 30 Farringdon Street, London, EC4A 4EA, Tel. 01-634 1143.

CHARLES BARKER
SELECTION-SEARCH-ADVERTISING

Finance Director

Cheshire Substantial Package

This excellent opportunity is with a successful UK company, the largest subsidiary of a fast growing and dynamic British plc. The Group, with a turnover approaching £100m, has a strong international base.

The position will appeal to energetic graduate accountants in their mid 30's, who are capable of decisively influencing business strategies at Board level. The successful candidate will enjoy working with colleagues who are determined to profitably expand the consumer goods product range, which already boasts many well known brand leaders. Reporting to the UK Managing Director, responsibility will be for all financial and DP activities across several locations. A major development programme, centred on integrated manufacturing systems, is now being implemented to take the Company into its next stage of growth.

Career prospects within the Group are very good and it is anticipated that remuneration will not be a limiting factor for the right candidate. The executive benefits package is first rate and relocation expenses will be paid where appropriate.

Candidates should send a detailed CV or request an application form on 0625 533364 (24 hours) quoting reference 877/FT.

Wickland & Westcott
& Partners

LONDON - PARIS - BRUSSELS - DUBLIN

Executive Selection/Management Development

Springfield House, Water Lane, Wilmslow, Telephone: (0625) 532446. Cheshire SK9 5QS.

Assistant Financial Analyst Project Appraisal

HOLBORN up to £13,814

Here is an opportunity to join a small team working on the financial appraisal of capital projects and other major plans and policies for British Gas.

Applicants should have a numerate degree and/or appropriate professional qualification (not necessarily in accountancy), together with some experience in investment appraisal and preferably knowledge of computer techniques. Salary will be within the range £12,188 - £13,814 depending on qualifications and experience. Benefits are those normally associated with a large progressive organisation and include generous relocation expenses where appropriate.

To apply, please write with full personal and career details, quoting ref. FIN/00096/028, to the Senior Personnel Officer (HQ Services), British Gas, 59 Bryanston Street, London W1A 2AZ.

British Gas
an equal opportunities employer

Accountancy Appointments

Financial Executive

Manufacturing

The Company is the UK subsidiary of an international private group based in New York and is one of the world's foremost producers and suppliers of metallurgical and chemical products. It has an impressive record of profitable growth and is supported by a strong international marketing network.

An opportunity is offered for an ambitious professional to make a major contribution to the financial management and administration of this Company, initially reporting to the Finance Director, success could lead to a senior management appointment. Based in London, some time will be spent at the Yorkshire manufacturing site to gain knowledge of the accounting function.

Qualified candidates (probably Chartered Accountants), aged 28-40, should have sound experience of financial

c.£20,000 + bonus + car

management and demonstrable knowledge of legal matters. Personal qualities will include determination and enthusiasm together with a keen eye for detail.

Please reply, in handwriting, to Robert Mills in strict confidence with details of age, career and salary progression quoting reference 1562/FT on both envelope and letter.

**Deloitte
Haskins+Sells**

Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Finance Director

Edinburgh

to £30,000 + car

Lothian Region Transport PLC has been established as a result of the 1985 Transport Act. The company will in due course take over the operation of Edinburgh's bus service, one of the largest municipal bus undertakings in the UK, with an anticipated turnover of £35 million.

Reporting to the Board, the Finance Director will be responsible for all accounting, control and financial planning activities. Key tasks will include treasury, funding, and the development of accounting systems. A positive and creative contribution to business development and the overall management of the enterprise will also be required.

Candidates will be qualified accountants, probably aged 35-45, with extensive management experience in a commercial environment. Particular expertise in financing and capital appraisal is essential, as are sound analytical and communication skills.

Please send full personal and career details in confidence to James H Shaw, quoting reference 1569/FT on both envelope and letter.

**Deloitte
Haskins+Sells**

Management Consultancy Division
25 Abercromby Place, Edinburgh EH3 6DS.

Group Financial Director

West London to £40,000 + car

Portsmouth & Sunderland Newspapers plc

This successful, forward-looking group, with a turnover approaching £50m from a variety of publishing and related fields, is seeking an outstanding and experienced FCA to head its finance function. The post requires a strong background in corporate finance allied to expertise in financial planning and control with a creative approach to business development. Growth prospects are good. As a member of the small headquarters team, the Group Financial Director will work closely with the

Chief Executive and maintain close links with operating subsidiaries involving some UK travel. Candidates, preferably aged 35 to 40, must have a proven record of achievement in financial management, ideally gained in a group context. A media background would be an advantage but is not essential. Salary is negotiable with a car and appropriate executive benefits. Please write sending brief cv, in confidence, to Peter Greenaway, Ref: AAS/978/FT.

PA

PA Personnel Services

Executive Search • Selection • Psychometrics • Remuneration & Personal Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-225 8860 Telex: 27874

Group Financial Controller

next

Leicester

c. £30,000
+ Car



Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

The new and strongly entrepreneurial management style of Next plc encourages creativity, growth and profitability. Next ladieswear's success has been emulated by the menswear chain and the rapidly growing retail credit company. The group's commitment to further expansion is illustrated by the launch of Next Interiors and the acquisition of a further 100 retail outlets.

Reporting to the Group Finance Director, and as a key player in a new and vibrant financial management team, you will be fully responsible for the group financial control and tax functions. Second and most importantly you will also take an active part in the forward financial planning of the group, both through the formal budget/plan cycle as well as in ad hoc

investment/acquisition studies.

You will need to be a qualified accountant in your early 30s with a strong track record of several years' personal achievement, preferably in a highly commercial business environment. You should be able to communicate well at all levels, including the most senior, with the maturity and confidence to accept quickly to a fast moving environment.

Please reply in confidence, giving concise career personal and salary details, quoting Ref. ER041 to Sarah Orwin, Executive Selection, Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 3NL.

Chief Accountant

£17-18,000

London

A young, qualified accountant is required to head the Finance Department of an £8 million turnover company, the UK Subsidiary of a major French Group.

Leading a team of 2 people, your task will be to provide statutory and commercial financial information and analysis (using an IBM34) for the two divisions of the company, which specialise in sales of:

- precious metals to the jewellery industry
- precious and non-ferrous metals for industrial use

The nature of these quality products underline the importance of this role within the management team, and provide the opportunity to contribute directly to Company profitability.

Applicants aged 25-32 should be qualified (ACA, ACCA or ACMA) with good experience of both manual and computerised systems. There will be occasional visits to the Paris head office. Ability in French is useful, but not essential.

Please write, in confidence, to Peter Lewis - Reference 501844 - or call 01-499 3705 (anytime) for an application form and further details.

EGOR INTERNATIONAL LTD

Selection consultants
178 179 Piccadilly, London W1V 9DB

egor

ACCOUNTANT

South Coast

£14-16K Neg.

An excellent opportunity arises for a qualified accountant who seeks the prospect of a progressive career within a dynamic leisure industry environment.

The successful candidate will report direct to the Financial Director, with responsibility for a small team whose key activities are in the production of detailed management information and the development of computerised costing systems.

Candidates, qualified ACMA/ACCA, probably aged 27-32 with 2/3 years post-qualification experience, should ideally possess expertise in the development of computer-based accounting systems within a disciplined management accounting function.

This key role also demands a flair for innovative problem-solving together with good interpersonal skills as close co-operation with other areas of the organisation is required.

Good career prospects for further advancement exist and an excellent salary package is negotiable. Please apply in writing to:

Stephen Mawditt,
Managing Director,

Senior Management International

Executive Search Consultants



London House
19, Charing Cross Road
LONDON WC2H 9ES

INTERNATIONAL FINANCIAL SERVICES GROUP

As a rapidly growing London-based organisation with subsidiaries in New York and Geneva, we require a bright, smart and experienced Accountant (minimum 2 years post ACA/ACCA experience) to take responsibility for the financial control function from Payroll, Branch Accounting, and Multi-Currency Cash Management through to the financial planning and forecasting aspects of the whole group. All records are computerised.

This represents an excellent and interesting opportunity to become an integral part of a small young dynamic management team. Remuneration is negotiable at a level which realistically reflects the responsibilities involved and the initiative required.

All replies with detailed CV please
(which will be treated in strict confidence) to:
Box A.0065, Financial Times
10 Cannon Street, London EC4A 4BY

ACCOUNTANCY APPOINTMENTS

Rate £41 per single column centimetre
plus VAT

Financial Accountant with a real flair for business

Career development prospects
c.£20,000 + generous benefits

Conspicuous success in your academic career and accountancy examinations will have convinced you of your worth. Now, having recently qualified or about to do so, you will be looking to prove yourself in a more demanding career environment. This is exactly what we can offer you at Dornay Foods, particularly if you are an ACMA or ACCA with two years' industrial experience pre- or post-qualification.

Dornay Foods, part of the international Mars Group, manufactures and markets high-quality convenience foods. We are currently expanding our product range, and pursuing an aggressive growth policy: activities in which the financial function is playing a dynamic role.

This is an appointment within a group which offers levels of responsibility and reward way above the norm; where promotion prospects are not restricted by

functional, company or national boundaries. Your hard work plus our training will let you progress as quickly as your ability will allow. In return, we look for technical excellence, imagination and the ambition to succeed.

The starting salary will be around £20,000 per annum. In addition there is participation in a bonus plan and a comprehensive range of non-contributory benefits. This will include relocation assistance to an attractive, unspoilt East Anglian coastal area.

For an application form and further details about the company and the job, please write to or telephone:
John Dawson, Personnel Manager,
Dornay Foods (Division of Mars UK Ltd),
PO Box 15, Harsna Road, King's Lynn,
Norfolk PE30 4JE. Tel: 0553 761200.
We are an equal opportunity employer.

Dornay Foods

Finance Director Designate

Leeds

from £20,000 + car

Our client is a well established privately owned company. The company's rapid growth as suppliers to supermarkets of fast moving consumer goods has resulted in a healthy increase in market share and profitability.

A young and enthusiastic qualified accountant is required to strengthen a hardworking and aggressive management team committed to controlled and profitable growth. He, or she, will be responsible for the complete financial control of the business and the development of the company's new computer systems.

To be successful in this company you must:

- be a self starter, prepared to put in the effort necessary to get the job done;
- have the commercial flair to make a positive contribution to the development of the business;
- have solid experience of computer systems in an accounting environment;
- be able to communicate successfully with non financial management.

This is a new post in a fast growing business and presents an ideal opportunity for an ambitious accountant to rise quickly to Board level.

If you are aged 28-35 with at least three years post qualification experience and fulfil all the above requirements, contact John Hampson at the address below quoting reference 2380.

Touche Ross

The Business Partners

Eleven Albion Street, Leeds LS1 5PJ. Telephone: 0532 444741.

Group Controller

c£30,000 plus car

West/North West Home Counties

This senior management post reports to the Finance Director of a British PLC with a worldwide reputation in its particular sphere of high technology.

The group operates through several divisions whose activities incorporate the development, manufacture, and international marketing and distribution of a broad product range. It is expected to expand from its present turnover of c£100m by organic growth and acquisition.

The Group Controller directs and co-ordinates financial planning and reporting throughout the operations, and provides senior management and the Board with the financial information - together with detailed analysis, evaluation and commentary - required for operational control and strategic development.

The requirement is a CA, aged mid 30s/early 40s, with a substantial financial and management accounting background and current experience as a senior financial manager - ideally at corporate level - in a large, well-structured and tightly controlled organisation.

Salary c£30,000. Car. Share option schemes.

Please write in strict confidence with full personal and career details, quoting ref 161/FT, to:

Philip Smith

Manpower Consultants

85-87 Jermyn Street, London SW1Y 6JD

Financial Controller

Yorkshire

c£20,000 + Benefits + Car

Excellent promotion prospects

Our client, the largest overseas subsidiary of a major US group, manufactures and markets high quality branded and consumer durable products. Factorless and sales organisations are operated throughout the UK and Europe. Many of the Company's products are market leaders and the brand is a household name.

The largest manufacturing units are in Yorkshire and show a history of profitable growth and development.

The Financial Controller will assume immediate responsibility for the Management Accounting function and for providing overall guidance on compliance with statutory reporting requirements. Candidates, who must be capable of contributing to the development of computer based systems, should:

- be qualified accountants, probably aged between 30 and 40
- desirably possess a degree or equivalent qualification
- hold senior financial management responsibilities in a lively, medium sized manufacturing business
- have proven success in the application of financial, profit planning and cost control techniques and of the development of computer based business systems
- be an able manager, systematic and decisive

Career opportunities: Significant promotion within one to two years is a distinct possibility.

Generous salary and benefits package includes excellent relocation allowance where applicable. Initial meetings will be arranged locally, possibly outside office hours.

Telephone John Heam for a brief discussion, or write to this address:


Heam Healy & Partners

Management & Recruitment Consultants
Westmorland House, 127 Regent Street, London W1R 7HA. Tel: 01-734 6267

Handwritten note: 1562/FT

Handwritten note: *Handwritten text in a box at the top of the page.*

Accountancy Appointments

HongkongBank 

COMPUTER AUDIT MANAGEMENT INTERNATIONAL BANKING-HONG KONG

C. £24,000 per annum tax-paid plus expatriate benefits.

Hongkong Bank, one of the world's leading international banks, requires an experienced executive to fill the position of Assistant Manager Computer Audit in its Hong Kong Head Office. This is an exceptional career opportunity with responsibilities covering the audit of the Group's EDP systems and installations throughout the world.

Advanced and progressive systems in use and under development, including electronic banking and global telecommunications network, provide a challenging working environment. Principal functions of the Computer Audit Division are as follows:

- Monitoring of systems under development and advising on control implications.
- Auditing installations and systems.
- Development of audit software and integrated audit programmes.

The Assistant Manager will be involved in the day to day running of the division, will manage complex audit assignments and systems reviews which could involve up to 25% travel overseas mainly in the Asia Pacific region.

Candidates should demonstrate a high level of technical expertise as well as having well developed audit skills. Knowledge of banking applications will be a distinct advantage as will familiarity with IBM mainframe and mini computers.

The preferred candidate is likely to be a qualified chartered accountant, or else have a background in computer audit, management consultancy or system design with a proven track record. Essential personal qualities include excellent communication skills, management ability and a capacity to generate innovative ideas.

Conditions of service are excellent. In addition to the tax-paid salary indicated benefits include free fully furnished accommodation, a housing loan, six weeks' annual leave with a generous travel package, children's education allowance, holiday passages and end of contract gratuity.

There will be an initial two year contract which may be converted to permanent employment by mutual agreement.

For further information please write to Malcolm Edgell FCA or Carol Saunders at our London address enclosing a cv and quoting reference 6058.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
 162a Belsi Street, Glasgow G2 4SD. Tel: 041-226 3101
 India Buildings, Water Street, Liverpool L2 0RA. Tel: 051-227 1412
 113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
 Brook House, 77 Fountain Street
 Manchester M2 2EL. Tel: 061-236 1553



Financial Managers

City Salary Negotiable

We are a major American Security and Commodity Dealer with ten sales offices throughout Europe and the Far East. We are seeking two Chartered Accountants who are self-starters and eager to develop a career in the Security/Commodity Industry. Both positions are at the managerial level reporting directly to the International Controller:

Manager - Sales Offices
 Responsibilities: Financial reporting of all offices outside London, including legal entity and local tax. Developing control programmes and project analysis. 25% Travel.
 Qualifications: ACA with 3-5 years experience at professional level.

Manager - Commodity Division
 Responsibilities: Departmental reporting by product, managing experienced staff and working closely with Managing Director of division and corporate headquarters.
 Qualifications: ACA with 3-5 years experience in a Commodity/Futures environment.

Both positions require a self-starter who can work with minimum supervision. We offer an attractive benefits programme to meet the needs of a professional.

Please reply enclosing curriculum vitae, stating present salary and salary requirements to: Mrs Elizabeth Bell, Personnel Department, Dean Witter Reynolds, 56 Leadenhall Street, London EC3A 2BH.
 All responses will be treated in the strictest confidence.

DEAN WITTER REYNOLDS INC. 

Financial Controller

International Construction

London Based **£20,000+**

This is a new position with a profitable growth oriented building and civil engineering company with extensive activities in the developing world.

We seek a professionally qualified accountant with management ability who has had several years experience in the contracting industry, preferably in an international environment. Recent experience using mini-computers would be very beneficial, as the development of effective systems will be a primary objective.

He/she will be responsible to the Finance Director for monitoring the performance of overseas subsidiaries and the controlling of day-to-day accounting at Head Office, assisted by a team of qualified accountants. There will be periodic visits overseas.

The complexity of Head Office accounting due to multi-currency transactions provides a stimulating challenge. This is an excellent chance for career development into wider management areas in a growing company, itself part of a much larger and expanding international group whose turnover now exceeds \$400M.

Salary negotiable from £20,000. The full range of benefits includes car, non-contributory pension and PPF.

Please send full career details, quoting reference M2561 in confidence to John Stirling.

Roland Orr & Partners
 Management Consultants
 12 New Burlington Street, London W1X 1FE Telephone 01-439 6083

Hi-Tech Career Role For Young Financial Accountant

FINANCIAL MANAGEMENT - EUROPEAN HQ

West London, near M4 £18-20,000 + car + share purchase

This major US Group designs, manufactures and markets systems for the office automation market-place and is one of the world leaders in its field. Its further successful and profitable growth is linked to a commitment to improved customer services as well as to continued substantial investment in new product development.

As a key member of the European Headquarters finance team, reporting to the Manager of European Finance & Planning, you will take full responsibility for managing the complex operation of providing financial and management information covering all aspects of their European activities. You will gain an in-depth understanding of the business, which you will apply to the initiation and development of new computerised accounting and reporting systems to meet the continually changing demands of European and subsidiary management. Additionally you will be responsible for the accounting and financial control of the European HQ activities supported by a small staff, as well as undertaking a variety of other analytical and project related assignments.

This is an excellent first management role for an ambitious qualified accountant, ideally aged 25-30, whose post-qualification experience may have included exposure to computerised accounting systems and US accounting practices possibly gained in Internal Audit, Group Accounting or in a major professional firm, and will lead, after 18-24 months, to further career development within either the Euro. HQ or a European subsidiary.

For a detailed and confidential discussion call John Bowman or Neil Wax on 01-387 5400 (out of hours 01-670 7884) or write to:-

FINANCIAL SELECTION SERVICES
 DRAYTON HOUSE, GORDON STREET, BLOOMSBURY, LONDON WC1H 0AN TELEPHONE: 01-387 5400

INBUCON

Company Accountant

Sussex c. £20,000 Plus car

Our client is a wholly-owned subsidiary printing company of a well known and long established international organisation. They have heavily invested in modern plant, new technology and training and are now poised for significant growth by improved asset utilisation and profitably expanding their printing and associated services into a wider market.

They wish to appoint an experienced, commercially aware, qualified accountant to fill this new position as the Company Accountant. In heading up the financial management team this role will provide a prime support function to the Managing Director and entail considerable involvement in the commercial management of the business.

Responsibilities will cover all the standard financial and management accounting activities of a medium size company. In short, a very varied and challenging opportunity with prospects, and in an attractive location. Preferred age for candidates will be 35-45.

In addition to salary the benefits package includes company car, contributory pension scheme and assistance with relocation where necessary.

Please write with full career details quoting reference 4132 to A.G.N. Burden:

INBUCON MANAGEMENT CONSULTANTS LIMITED
 Executive Search and Selection,
 Knightsbridge House, 197 Knightsbridge, London SW7 1RN 1986-1988

Group Accountant

for a multi-national electronics Group

c. £20,000 + car Central London

RESPONSIBILITY: As Deputy to the Group Financial Executive for all Head Office accounting functions and assisting in the Financial Control of subsidiaries.

ESSENTIAL EXPERIENCE: A detailed knowledge and experience of consolidation of accounts using micro-computers (both setting up and running) in a multi-currency multi-location Group. Also experience in the evaluation and control of subsidiaries, acquisitions and disposals, and a sound knowledge of taxation.

CANDIDATE PROFILE: An ACA or ACMA, able to work under pressure, lead a team, and communicate effectively at all levels.


PROSPECTS: Potential successor to the position of Group Financial Executive.

Applications in strict confidence to Brian G Luxton, under ref 6840

Mervyn Hughes
Alexandre Tic
(International) Ltd.
 Management Recruitment Consultants



37 Golden Square,
 London W1R 4AN.
 ☎ 01-434 4091

 **Commonwealth Secretariat**
 (Commonwealth Fund for Technical Co-operation)

Seeks candidates for:

EXPORT COSTING AND PRICING ADVISER FOR INDUSTRIAL PRODUCTS: SIX MONTHS, MALAYSIA

EXPORT ON COSTING AND PRICING FOR EXPORT: SIX MONTHS, MALAYSIA

Cyprus: Visit manufacturing units and investigate pricing and costing methodologies and suggest improvements. Give lectures and seminars for groups of manufacturers and distribute written guidelines. On the basis of findings recommend new methods of export costing and pricing.

Malaysia: Study local economy, business structure, and operations and problems of selected companies. Conduct clinic sessions for selected companies to assist them in developing and implementing effective product pricing strategies for particular markets. Conduct training seminars in cost accounting and pricing strategy for owners, managers and staff of export-oriented enterprises.

Certified accountant specialising in cost accounting with some knowledge of export costing, and experience of undertaking similar assignments.

Weekly fee in the region of £500 plus daily subsistence/housing allowance. Economy class air fares.

Full details and application form from:-

Recruitment Section
 Commonwealth Secretariat
 Marlborough House, Pall Mall, London SW1Y 5HX
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Productivity gains put Peugeot back in profit

BY PAUL BETTS IN PARIS

PEUGEOT, the French private car group, will show a small profit in 1985 after accumulating losses of about FF9.9bn (\$1.3bn) since 1980 as a result of a larger than expected improvement in group productivity last year.

Mr Jacques Calvet, the chairman and architect of the Peugeot recovery, said that the group's overall productivity had improved by 8.5 per cent last year. This is higher than the group's earlier target of achieving 6-7 per cent a year productivity gains.

The Peugeot chairman said the better than expected productivity gains last year reflected the group's ability to reduce its workforce by a little more than 6 per cent coupled with a 5.4 per cent increase in sales volume.

Mr Calvet wants to bring down the group's break-even point to 1.5m cars a year during the next two to three years in order to

strengthen the recovery of the Peugeot group, which is still weighed down by debts totalling about FF3bn. Peugeot has already managed to reduce its production break-even point from 2.2m cars a year four years ago to 1.5m-1.6m cars last year.

At the same time, Mr Calvet has indicated that he wants to see Peugeot expand its sales in non-European markets. The group is currently making a renewed effort to boost sales in the US market, where Peugeot recently appointed a new chief operating officer, Mr Pascal Benoit.

The French group at present sells only 15,000 and 20,000 cars a year in the US in the so-called European luxury imports market. This market totals about 600,000 registrations a year, of which Peugeot currently accounts for only about 3 per cent.

Mr Calvet, who has just returned from a visit to the US, said that the group had decided "to develop very strongly our penetration in the US."

The Peugeot chairman also explained that the group intended to bring out a new car model each year. The new models would alternate between the group's Automobiles Peugeot division and the Citroën division, each bringing out a new model every two years. Mr Calvet added that the strategy was for each marque to have four families of cars.

Citroën is due to launch a new small car on the French market this autumn which will enter the rest of the European market early next year. Mr Calvet acknowledged that 1985 had been a difficult year for the Citroën marque. The subsidiary had shown major improvements, although it had continued to lose money.

Ruiz-Mateos lays foundations for a new Rumasa

BY DAVID WHITE IN MADRID

MR JOSE MARIA RUIZ-MATEOS, the Spanish businessman, is plotting his comeback, undeterred by the fact that he has yet to face trial.

While pre-trial investigations continue into allegations of phony accounts at Rumasa, the conglomerate he ran up to three years ago, he has set up a new company in the US and plans one in Spain to re-create the empire that was seized by the Spanish Government.

The proposed new ventures will have one major difference from the old Rumasa, however. Instead of being in the hands of Mr Ruiz-Mateos and his brothers and sister, as Rumasa was, shareholdings are to be widely distributed.

This, says Mr Arthur Teele, his American lawyer, will lead to "a different level of public accountability."

(The Government's action against the diversified Rumasa group in February 1983 was provoked by its failure to gain access to Rumasa's books.)

The moves come as Mr Ruiz-Mateos, whom Spain extradited from West Germany last November, is locked in legal tussles in the UK to recover overseas assets which the Spanish authorities claim belonged to Rumasa.

The first is a High Court action over who owns the exclusive world rights to the brand name of Dry Sack sherry. The aim of the new US venture is to regain the distribution rights for Dry Sack in the US and Canada.

Mr Ruiz-Mateos transferred the trademark almost 10 years ago to a specially created Jersey company,

licensing it back to the company that supplies Dry Sack, Williams & Humbert. Williams & Humbert is one of the last companies of the former Rumasa group which the Spanish Government has not yet re-privatised.

The Spanish authorities seek annulment of the agreement under which the name was transferred to Mr Ruiz-Mateos' company, W & H Trademarks (Jersey). A clause in the agreement cancelled the licensing deal in the event of Williams & Humbert ever being nationalised.

If the new company, W & H Trademarks (Delaware), succeeded in this bid, it would buy other existing drinks labels in the US, Mr Teele said. It was hoped to raise between \$5m and \$20m in a public offering. Mr Ruiz-Mateos had not so

far invested in the company, as he would need Spanish Government permission to do so.

"This is not the new Rumasa," Mr Teele said. "But we like to think this is the engine we will put on the track to begin the new Rumasa."

The proposed Spanish venture, which would not be set up until after legal proceedings are over, would also begin in the sherry business and branch out into a range of activities similar to the old Rumasa's - retailing, banking, manufacturing and hotels.

Chief executive would be Mr Ruiz-Mateos although he would have only a symbolic shareholding. Mr Ruiz-Mateos said that on the basis of offers of support he had received he could muster several billion pesetas in a short period.



Jose Maria Ruiz-Mateos: plotting a comeback

Philips' earnings fall 17% in wake of US sales downturn

BY LAURA RAUN IN AMSTERDAM

PHILIPS, the Dutch electronics company, said its profits fell 17 per cent to FF1.91bn (\$363m) in 1985 on sharply lower sales and earnings in the US of integrated circuits and audio-video equipment. An unchanged dividend of FF2.2 a share was declared.

The profit fall, which Philips had predicted, was due to the "considerable decline" at the Semiconductors subsidiary in the US and North American Philips consumer electronics. Semiconductors suffered from the industry-wide slump in chips, while consumer electronics were hurt by falling prices resulting from overcapacity.

In contrast to the US, earnings in Europe improved. The operating income growth in consumer electronics offset the drop in the US, but otherwise Europe failed to make up for the American fall. Geographically, Europe contributed the most to

overall sales growth.

Sales rose 12 per cent to FF60bn, although almost half that was attributed to the forced consolidation of Polygram after Philips failed to find a new partner for the music publishing company. Polygram finally moved into the black last year after posting a string of losses in recent years.

Philips has owned 90 per cent of the music publisher since acquiring Siemens' unwanted 50 per cent stake last year with the intention of immediately reselling it. But Polygram had to be consolidated for legal reasons after no willing buyer was found.

For this year Philips, Europe's largest electronics concern, said it again expected volume sales to expand 7 per cent in 1986, and net income to improve.

The company halted its charges against operating income for facto-

ry closures and other restructuring last year to FF1.34bn from FF1.72bn in 1984. Much of the restructuring has been in the audio-video division, which is expected to remain in the red until next year.

Profitability, or net income as a percentage of sales, slipped to 1.5 per cent last year from 2 per cent in 1984. Mr Wisse Dekker, who will retire as president in April, has long aimed for profitability of between 3 per cent and 4 per cent and in his new year's address urgently appealed to all employees to work towards that goal.

The plummeting dollar, while putting pressure on sales, helped out the value of inventories as a percentage of sales to about 23 per cent at the end of 1984 from nearly 29 per cent a year earlier. In his new year's speech, Mr Dekker estimated that the drop translated into a saving of about FF100m.

Ciba-Geigy to buy Eastman dyes unit

By John Wicks in Zurich

CIBA-GEIGY, the Swiss chemical concern, is to take over the textile dyes business of Eastman Kodak's chemicals division.

No price is being disclosed for the acquisition, which includes "all patents, marketing and technical information and manufacturing know-how."

Eastman's dyes plants at Kingsport, Tennessee, is to produce on behalf of Ciba-Geigy for the next two years until the Swiss group expands its own production.

Ciba-Geigy is to assume responsibility for sales and servicing of the products involved in the transaction from the start of next month.

It is already one of the United States' leading dyestuff manufacturers, with production centred at the Citoms River plant in New Jersey. US activities also play an important role within the Ciba-Geigy group's dyes and chemicals division, which last year booked worldwide sales of almost Sfr2.5bn (\$1.3bn).

Suez launches Franco-German joint banking organisation

BY DAVID MARSH IN PARIS

COMPAGNIE Financiere de Suez, the French state-owned financial concern and Matuschka, a West German group, are setting up a joint banking organisation to arrange corporate finance deals in the two countries.

"We believe this sort of organisation is lacking in Europe," Mr Jean Peyrelevalde, the Suez chairman, said yesterday. The new, Munich-based company, called Suez-Matuschka Finance, will be 50 per cent owned by each partner. It will have a capital of only DM 100,000 (\$44,600) but it will aim to channel resources from the two groups towards "promising Franco-German business and industrial ventures."

Mr Rolf Christof Dienst, manag-

ing director of Matuschka, one of West Germany's venture capital specialists, said the joint company would aim particularly at backing deals in areas like machine tools, pharmaceuticals, food and electronics.

Suez has taken a DM 5m stake in an internationally subscribed DM 50m West German venture capital fund set up by Matuschka in December. Mr Peyrelevalde said the new company could eventually act as the basis of a separate Franco-German venture capital effort.

Initially, however, Suez-Matuschka Finance will concentrate on mergers and acquisitions and putting together financial packages for French and German companies in-

terested in finding partners and doing business, in either country.

Matuschka, a privately owned group set up in 1970, manages about DM 600m in venture capital funds. Corporate investors in a DM 118m German fund set up in 1983 include Siemens, Bayer, Messerschmitt-Bölkow-Blom and Deutsche Bank.

Matuschka has also carried out acquisitions in Germany for clients such as Nestlé, Krupp and the UK pharmaceuticals group Boots.

Suez has been trying increasingly to build up its venture capital and development capital business with a string of funds and joint ventures established in France and the US.

KHD sales down at year-end

By Rupert Corwell in Bonn

KLÖCKNER - Humboldt - Deutz (KHD), the West German engineering concern, expects "satisfactory" earnings for last year, despite lower group sales during the year of DM 5.5bn (\$2.4bn) from DM 5.7bn in 1984.

The fall at parent-company level was steeper, to DM 3.5bn from DM 4.6bn. However, this was mitigated by the inclusion in the consolidated figures for the first time of turnover at Motoren-Werke Mannheim (MWM) and Deutz-Allis, the former agricultural equipment division of Allis-Chalmers of the US.

In 1984, KHD, of which diesel engines make up almost half its turnover, achieved parent-company earnings of DM 57.7m. It paid an increased dividend of DM 9 per DM 50 nominal share.

Orders booked during 1985 declined slightly to DM 3.5bn from DM 3.63bn.

Dutch insurers consider merger plan

By Our Financial Staff

TWO DUTCH insurance groups are studying a merger which could create the second largest domestic general insurance company in the Netherlands.

The are Centraal Beheer and Interpolis, and both operate almost exclusively in the Dutch market.

Centraal Beheer is the biggest direct Dutch underwriter. Interpolis is owned by the KNBVB, the Dutch agricultural and horticultural association.

The two groups expect to complete their findings this year. Centraal employs 1,940 people and Interpolis 1,500. Their respective premium incomes for 1985 are estimated at FF2.9bn (\$1.4bn) and FF1.3bn.

Litton falls 37% despite quarterly rise in sales

BY WILLIAM HALL IN NEW YORK

LITTON Industries, the Los Angeles-based conglomerate, yesterday reported a 37 per cent drop in second quarter earnings to \$47m on sales which rose 4.5 per cent to \$1.17bn.

The company says the effects of depressed energy markets served by its resources exploration services division and "extreme pricing pressures" in the consumer micro-wave oven industry continued to be primary causes of lower profits. Earnings were also reduced due to sharply higher net interest expense to service the debt the company issued to buy back 15m of its shares last year.

Net interest expense in the first half of Litton's current fiscal year to end January 1986 totalled \$4m, compared with net interest income of \$7.5m in the same period of last year. Net earnings in the first half of 1985-86 totalled \$90.7m compared

with \$141.5m in the same period of the previous year.

As a result of the share repurchases, the impact of the lower profits on earnings per share is far less. In the latest quarter, Litton earned \$1.68 per share against \$1.74 per share a year ago, and for the first six months the company earned \$3.24 per share compared with \$3.33.

Better performances were recorded by the group's industrial automation systems divisions and the Ingalls shipbuilding division. In the first six months of the current year Litton's sales dipped from \$2.29bn to \$2.27bn.

For the first six months the operating profits of the marine engineering and production divisions rose by a third to \$31.5m. This was offset by a one third decline in the operating profits of the industrial systems and services divisions

Commodore wins \$135m credit line

By Our Financial Staff

COMMODORE International, the struggling home computer manufacturer, has passed an important milestone in its battle for survival by reaching agreement in principle with its major lending banks on a \$135m credit line.

Commodore said it hoped arrangements for the "worldwide credit facilities," due to extend until March 15, 1987, would be formalised and signed as soon as possible.

Mr Irving Gould, chairman, said: "We are gratified by the re-establishment of normalised credit arrangements and look forward to restoring profitability this year."

The company last month received waiver extensions through February of its non-compliance with financial covenants of its loan agreements. Commodore had been in technical default following a loss for the year ended June 30 of \$113.9m.

Delhaize to sell majority in US unit

By Quentin Peel in Brussels

DELHAIZE The Lion America, the wholly-owned subsidiary of the Belgian supermarket group Delhaize Le Lion, is to sell a majority shareholding in its ailing Atlanta operations to Super Valu Stores of Minneapolis.

The deal means that Super Valu, the largest food wholesaler group in the US, will buy 51 per cent of the Food Giant group and take over management of its 54 supermarkets in and around Atlanta.

In a separate arrangement the Cab division of Food Giant, which operates a fresh food super-store, with two more under construction, will become an independent company owned 80 per cent by Delhaize and 20 per cent by Super Valu.

The company yesterday declined to put any value on the sale, which will only take effect from April 1.

Sacilor set to cut loss

SACILOR, the French state-owned steel group, expects to halve net losses to about FF2.5bn (\$362m) in 1986 from an estimated FF5.4bn loss for 1985.

The company expects a restructuring plan to be completed by the end of 1987 and Sacilor is set to just about break even that year and return to profit in 1988.

The operating loss for 1986 is expected to be cut to less than FF2.5bn from about FF4.1bn in 1985.

The restructuring plan, which cost Sacilor 10,000 jobs last year, will involve a further 10,000 job losses in 1986 and 4,000 in 1987.

Audi sales boosted by 8% rise in exports

BY OUR FINANCIAL STAFF

AUDI, the Volkswagen subsidiary, increased turnover, volume sales and profit last year. Turnover rose 10 per cent to DM 9.5bn (\$4.2bn) and volume sales by 2.5 per cent to about 371,000 units. Audi made a net profit of DM 185m in 1984.

The increase in sales last year was due to exports, which rose 8 per cent to about 222,000 units. Domestic sales fell 7 per cent to about 137,000 and domestic market share to 5.1 per cent from 6.1 per cent.

Audi expects to increase volume sales further this year, at home and abroad. It added that the falling dol-

lar would have little effect on US business profitability because there would be scope for price increases.

Capital investment rose steeply to DM 900m last year from DM 500m in 1984 and was expected to be about the same level this year, according to the company. Much of the spending would stem from the introduction of fully galvanised, non-rusting bodywork.

The company plans to set up about 40 Audi centres in Germany to sell and service only Audis. These would operate in parallel to the existing network of dealers.

USG buys Donn for \$168m

BY OUR FINANCIAL STAFF

USG, the US building materials and industrial products group formerly known as US Gypsum, has agreed to acquire Donn, a Cleveland-based producer of ceiling grid and interior access floor systems, in a share deal worth about \$188m.

The transaction for 2.8m USG shares will substantially strengthen USG's position in the interior systems business. Donn, which had sales of about \$300m in 1985, employs 2,000 people at 10 US plants and seven overseas facilities.

USG Acoustical Products, USG's ceiling products subsidiary, also plans to spend \$20m on expanding its ceiling tile production capacity by about 20 per cent.

A new subsidiary, to be called USG Interiors, will be set up, taking in the businesses of Donn and USG Acoustical, to create a concern with annual sales of more than \$500m.

The deal will be achieved by USG acquiring the stock of DAB Holding, Donn's parent.

Bosch to sell ignition unit

By Our Financial Staff

ROBERT BOSCH, the West German motor components and electronics group, may sell its production facilities for magnetic ignition systems used in motorcycles to the Zanussi group of Italy.

Bosch plans to stop producing the components at its Nuremberg factory by the end of the year. If agreement with Zanussi is reached the Italian group will take over production in stages. About 90 of Bosch's 3,800 Nuremberg workers are involved.

Bosch wants to shut down its operation because of the drop in registrations of new motorcycles across Europe.

NEW ISSUE These Notes having been sold, this announcement appears as a matter of record only. DECEMBER 1985

DM 25,000,000

Maruzen Showa Unyu Co., Ltd.
(Yokohama, Japan)

2 7/8 % Guaranteed Bearer Bonds 1985/1990

Unconditionally and irrevocably guaranteed by

The Bank of Yokohama, Ltd.
(Yokohama, Japan)

with Warrants attached

to subscribe for shares of Common Stock of Maruzen Showa Unyu Co., Ltd.

CSFB-Effektenbank AG

Yamaichi International (Deutschland) GmbH Bank of Yokohama (Europe) S.A.
Julius Baer International Limited Banque Paribas Capital Markets Limited
Mitsubishi Trust & Banking Corporation Nippon Kangyo Kakumaru (Europe) Limited
(Europe) S.A. Okasan International (Europe) Limited
Österreichische Länderbank Aktiengesellschaft Westdeutsche Landesbank Girozentrale

Bank Len International Ltd. Berliner Handels- und Frankfurter Bank Citibank Aktiengesellschaft
Commerzbank Aktiengesellschaft Compagnie de Banque et d'Investissements, CBI Daiwa Europe (Deutschland) GmbH
Deutsche Bank Aktiengesellschaft Dresdner Bank Aktiengesellschaft Handelsbank N.W. (Overseas) Limited
Lombard Odier International Underwriters S.A. Morgan Stanley International The Nikko Securities Co., (Deutschland) GmbH
Nomura Europe GmbH Pictet International Ltd Swiss Bank Corporation International Limited
Swiss Volksbank Union Bank of Switzerland (Securities) Limited

INTL. COMPANIES & FINANCE

MAS leaves brokers in despair

SINGAPORE'S banks scramble to protect their loans to stockbrokers, and the brokers struggle to survive, increasing doubts have been raised this week about how the Monetary Authority of Singapore (MAS) the island state's quasi-central bank, has dealt with the crisis of confidence that began in late November with the collapse of Pan-Electric Industries.

Bankers now privately accuse the MAS of stringing them along for three months in a costly and ill-conceived plan to restore confidence in the broking system, while not following through with actions needed to make the plan work.

Brokers, for their part, are angry because many face failure over what they say is an unnecessary evaporation of confidence caused by a lack of regulatory leadership from the MAS.

As a result, brokers say, the innocent are being dragged down along with those responsible for causing the crisis, and fundamentally sound institutions will crumble.

"All we need is one word from the authorities that they will stand behind the system," says one broker, pointing to confidence-building measures taken by the Bank of England and the US Federal Reserve Board following past collapses of financial institutions in those countries.

The broker says his firm is now on the edge of collapse, even though it had almost no dealings with Pan-Electric and its related companies, or in their shares. Creditors have begun to obtain court orders for scrip, and he expects

credit to be cut off next week, when a three-month moratorium on loans is due to expire.

The three-day closure of the stock market in early December was intended to provide a breathing space so a plan could be formulated that would prevent Pan-Electric's imminent default on S\$140m (US\$65.3m) of forward share contracts from dragging down a string of broking houses.

The plan called for Mr Tan Koon Swan to provide S\$40m of operating funds for Pan-Electric, and personally to vouch for the S\$140m in share

contracts. A S\$180m lifeboat fund for the brokers was provided by Singapore's four major domestic banks, and the MAS convinced foreign banks which had lent more than S\$1bn to the securities industry—not to call in loans for three months in order to give the measures time to restore confidence in the system.

After Mr Tan was arrested in Singapore in late January, and charged with 15 criminal counts, the Pan-Electric rescue fell apart, leaving the brokers holding the S\$140m share contracts for which Mr Tan had assumed responsibility.

At the same time, it gradually became clear that the hastily-conceived brokers' lifeboat was unworkable for a

variety of technical reasons, which some brokers blame on the inexperience of the MAS in dealing with the stock market. Previously, stock market regulation was not a MAS responsibility. The lifeboat also began to appear far too small.

Late last week, Singapore's brokers set their pens to a new S\$180m agreement which apparently resolved ambiguities in the original accord. Money will be released to the brokers according to criteria drawn up by the MAS.

Bankers and brokers have since discovered, however, that

Steven Butler on the stock market crisis in Singapore

The criteria set have been exceedingly stringent—sharply paring down those eligible to draw money from the fund in order to make the fund's resources "adequate." The MAS has not made public its criteria for releasing funds, and reports from bankers and brokers who have met the MAS are not entirely consistent.

The MAS has started to tell bankers that their interests will best be served by maintaining credit lines to brokers, the logic of which bankers have found very hard to grasp. "The MAS is asking us to give," says one banker, "but we are not getting anything in return."

After waiting for three months, it is being realised that the level of support for the broking industry will be far

lower than anyone had anticipated. The question has arisen not only whether the MAS has stemmed the losses in the industry, but whether it has compounded them while postponing the day of reckoning.

At the very least it is now clear that the MAS takes a narrow view of its regulatory responsibilities.

The MAS may reason that a shakeout in the industry is inevitable, and that now is the best time to clear the decks. In its defence, all the banks and brokers had agreed to the rescue plan in early December, and the MAS cannot be blamed for the main cause of its collapse—Mr Tan's failure to raise money and his subsequent arrest. The MAS had not pledged to bail out the industry.

The MAS has none the less made it extraordinarily difficult for bankers and brokers not to speak of the investing public, to assess precisely what is at risk. No one knows for certain just how much support will be forthcoming, and under what conditions.

The guessing game over who is solvent has now persisted for three months, and nothing could be better calculated to deflate confidence and leave broking firms subject to collapse by means of vicious rumours.

The MAS may indeed succeed in restoring confidence in the narrow sense—confirms that everyone will be made to trade by the rules. Enforcing rules is evidently what the MAS does best. But as one broker put it: "No one objects to the MAS being extremely strict, just that it is unco-operative."

Matsushita Electric sees downturn

By Yoko Shibata in Tokyo

MATSUSHITA Electric Industrial, the world's largest consumer electronic and electric appliances maker, lifted group net profits 3 per cent to ¥246.45bn (\$1.36bn) in the year to November 20 but fears a sharp downturn this year.

Consolidated sales showed a rise of 7 per cent to ¥5,052.7bn, above the ¥5 trillion (million million) mark for the first time. Net earnings per share advanced to ¥135.06 from ¥134.83.

For the current year, a Matsushita executive warned yesterday: "If the yen remains at ¥185 to the US dollar, it is inevitable that we will suffer a 20 per cent fall in consolidated net profits." This would come on projected sales of ¥4,800bn, down 5 per cent, even after a mark-up of export prices and curbs on capital investment.

Monopolies body seeks to delay Bell bid for BHP

BY LACHLAN DRUMMOND IN SYDNEY

THE AUSTRALIAN monopolies body, the Trade Practices Commission, yesterday intervened in the takeover battle for Broken Hill Proprietary (BHP), seeking an injunction restraining Mr Robert Holmes a Court's Bell Resources from dispensing its offer or buying more shares.

The injunction application is due to be heard in court tomorrow and, if successful, is likely to have effect until mid-March. By this time the federal parliament is expected to have passed an amendment to the Trade Practices Act removing one barrier to the Bell bid.

Existing law prevents the acquisition of a monopoly, such as BHP, by a takeover. Because of its protective nature, the provision is believed never to have been applied in the past. However, in an environment of rising political and union pressure for a broader

South African shipping group lifts turnover

By Jim Jones in Johannesburg

SHIFTS in South Africa's foreign trade patterns distorted the performance of Safmarine & Swire Holdings (Safswir), the shipping and tourism group, in the six months to December.

Turnover increased by 17.4 per cent to R1,09bn (\$551.2m), but pre-tax profits rose only 4.3 per cent to R94.2m.

For the wholly-owned Safmarine shipping line, export cargoes were comparatively easy to find and ships tended to leave South African ports fully laden. Import volumes declined sharply, however, due to the rand's decline and the persistence of the country's recession.

Remitment, the 75 per cent-owned shipping services and tourism subsidiary, was affected both by lower imports and a decline in the number of tourists visiting South Africa.

Kersaal, which is 77 per cent-owned and has interests in casinos in South Africa's black homelands, again increased its turnover and profits.

Interim earnings per share calculated before extraordinary losses on the sale of offshore investments rose to 74 cents from 72 cents, and an unchanged interim dividend of 26 cents has been declared.

In the last full year, earnings per share totalled 131 cents and a total dividend of 78 cents was paid. The directors believe that this year's attributable income will not be less than that of last year.

Peko-Wallsend trebles profits

By Our Sydney Correspondent

PEKO-WALLSEND, the Australian mining and industrial group, showed the benefits of the depreciation in the Australian dollar, with a near-trebling in net earnings for its December half-year.


Net profits came to A\$30.1m (US\$21.3m) compared with A\$12m in the corresponding period and a total of A\$27.2m for all of 1984.

The results included all the foreign exchange losses resulting from forward hedge arrangements predicated on a stronger Australian dollar, leaving Peko a clean slate for the latest year on its US dollar-based export sales of coal, iron ore, scrap metal and gold.

Mineral division sales were up 70 per cent to A\$170m, helped by higher coal output, while industrial division sales were 18 per cent higher at A\$57m.

The dividend has been doubled to 10 cents, drawn from earnings per share of 35.5 cents against 15.4 cents.

U.S. \$50,000,000
Pirelli Financial Services Company N.V.
(Incorporated with limited liability in the Netherlands Antilles)
 Guaranteed Floating Rate Notes due 1994
 Unconditionally Guaranteed by
PIRELLI
Pirelli Società Generale S.A.
(Incorporated with limited liability in Switzerland)
 Notice is hereby given that the Rate of Interest has been fixed at 8 1/4% and that the interest payable on the relevant interest Payment Date August 27, 1986 against Coupon No. 5 in respect of \$5,000 nominal of the Notes will be U.S. \$205.82.
 February 27, 1986, London
 By: Citibank, N.A. (CSSI Dept.), Agent Bank **CITIBANK**

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.
 on 24th February 1986 U.S. \$118.20
 Listed on the Amsterdam Stock Exchange
 Information: Parson, Halding & Parson N.V.,
 Herengracht 214, 1016 BS Amsterdam.

AIBD BOND INDICES
WEEKLY EUROBOOND GUIDE FEBRUARY 21, 1986

	Yield	Change on Week	12 Months High	12 Months Low
US Dollar	9.956	-1.338	12.260	9.956
Australian Dollar	14.315	-0.907	14.630	12.600
Canadian Dollar	11.478	-1.789	13.190	11.074
Euroguilder	6.214	1.156	7.790	6.084
Euro Currency Unit	9.434	1.050	10.290	9.190
Yen	6.817	-1.189	7.480	6.690
Swelling	11.354	-2.533	11.932	10.770
Deutschemark	6.721	-0.311	7.830	6.719

Bank J. Vostobel & Co. Ltd., Zurich - Telex: 812744 JYZ CH

CITICORP
U.S. \$500,000,000
Subordinated Floating Rate Notes
 Due October 25, 2005
 Notice is hereby given that the rate of interest has been fixed at 8.0375% and that the interest payable on the relevant interest Payment Date March 27, 1986 against Coupon No. 5 in respect of US\$10,000 nominal of the Notes will be US\$ 62.51.
 February 27, 1986, London
 By: Citibank, N.A. (CSSI Dept.), Agent Bank **CITIBANK**

CITICORP
U.S. \$350,000,000
Subordinated Floating Rate Notes
 Due November 27, 2005
 Notice is hereby given that the rate of interest has been fixed at 8.0375% and that the interest payable on the relevant interest Payment Date March 27, 1986 against Coupon No. 4 in respect of US\$10,000 nominal of the Notes will be US\$ 62.51.
 February 27, 1986, London
 By: Citibank, N.A. (CSSI Dept.), Agent Bank **CITIBANK**

NOTICE TO HOLDERS OF TRIZEC CORPORATION LTD BEARER SECURITIES
 Copies of the 1985 Annual Report of Trizec Corporation Ltd can be obtained on request from:
 The Secretary
 Trizec Corporation Ltd
 30th Floor, Scotia Centre
 700 Second Street SW
 Calgary, Alberta T2P 2W2
 Tel: (Canada) (403) 269-8241
 Telex: 03-825666

HILL SAMUEL FINANCE B.V.
US\$30,000,000
 Floating Rate Notes due 1996
 In accordance with the provisions of the Notes, NOTICE IS HEREBY GIVEN that for the interest period from 27th February 1986 to 27th August 1986 the Notes will carry a Rate of Interest of 8 1/4% per annum and that the interest payable on the relevant Interest Payment Date, 27th August 1986, against Coupon No. 5 will be US\$408.51.
 Agent Bank:
 Morgan Guaranty Trust Company of New York
 London

All of these securities having been sold, this announcement appears as a matter of record only.

\$100,000,000

American Express Credit Corporation

Notes Due February 15, 1996


The Notes will bear interest at the annual rate of 8.45% from February 12, 1986 through February 14, 1991 and, if extended by the holder, at the annual rate of 9.45% thereafter. The Notes will be repayable in whole or in part at the option of the holder thereof on February 15, 1991 at their principal amount plus accrued interest to the date of repayment.

Shearson Lehman Brothers Inc.
 The First Boston Corporation
 Goldman, Sachs & Co.
 Merrill Lynch Capital Markets
 Morgan Stanley & Co.
 Salomon Brothers Inc.

February 1986

All of these securities having been sold, this announcement appears as a matter of record only.

\$100,000,000



Household Finance Corporation

Notes Due February 15, 1993


The Notes will bear interest at the annual rate of 8.40% from February 11, 1986 through February 14, 1990 and, if extended by the holder, at the annual rate of 9.30% thereafter. The Notes will be repayable in whole or in part at the option of the holder thereof on February 15, 1990 at their principal amount plus accrued interest to the date of repayment.

Shearson Lehman Brothers Inc.

February 1986

All of these securities having been sold, this announcement appears as a matter of record only.

\$100,000,000



GANNETT

Notes Due February 1, 1996

The Notes will bear interest at the annual rate of 8.50% from February 1, 1986 through January 31, 1991 and, if extended by the holder, at the annual rate of 9.55% thereafter. The Notes will be repayable in whole or in part at the option of the holder thereof on February 1, 1991 at their principal amount plus accrued interest to the date of repayment.

Shearson Lehman Brothers Inc.

February 1986

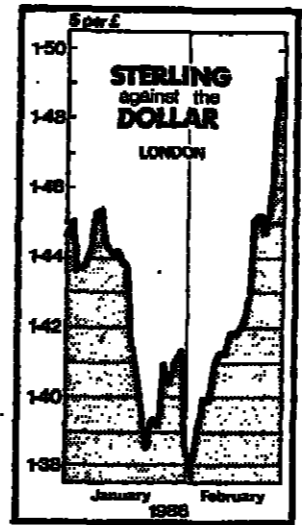
INTERNATIONAL COMPANIES and FINANCE

Peter Montagnon reports on the prospects for investors

Breath of life stirs sterling bonds

THE SHARP rise of sterling against the dollar in recent weeks has given a new, if still tentative, breath of life to the Eurosterling bond market.

For big institutional buyers, the gilt market also holds more appeal than the narrower Eurosterling sector. They have fewer tax problems in buying gilts than do retail investors.



Belgium's \$250m deal brightens dull market

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

BELGIUM is raising \$250m in the Eurobond market through its first ever issue of dollar-denominated fixed rate paper.

Procter and Gamble launched a \$250m, five-year issue carrying a coupon of 6 per cent and a yield of 6.5 per cent.

Mayne Nickless boosts interim net profit 17%

BY LACHLAN DRUMMOND IN SYDNEY

MAYNE NICKLESS, the Australian transport and security group, pushed net profits up 17.3 per cent to \$20.1m (US\$12.2m) in the December half-year.

Sentrachem returns to the black in first half

BY OUR FINANCIAL STAFF

SENTRACHEM, the South African chemicals group, emerged in the black once more in the first half to December, after a year of heavy losses in 1984-85.

Lloyds leads \$150m floater for CSFB

BY OUR EUROMARKETS CORRESPONDENT

CREDIT SUISSE First Boston, the market leader in Euro-bond new issue business, is itself raising money in the market.

Japan lifts curb on Samurai issuers

BY ALEXANDER NICOLL

THE WORLD BANK has become the first borrower to Japanese stock exchanges.

Bank had raised \$300m with a privately-placed, bullet issue of Japanese yen.

Advertisement for FUJITSU LIMITED. Includes text: 'All these securities having been sold, this announcement appears as a matter of record only.' 'NEW ISSUE February, 1986' 'FUJITSU Communications and Electronics U.S. \$200,000,000' '4 1/2 PER CENT BONDS 1991 WITH WARRANTS TO SUBSCRIBE FOR SHARES OF COMMON STOCK OF FUJITSU LIMITED' Lists various international companies like Nikko Securities Co., Dai-ichi Kangyo International Limited, etc.

Esab to pay more after strong gains

BY DAVID BROWN IN STOCKHOLM

ESAB OF SWEDEN, the world's leading manufacturer of welding equipment, reports 1985 profits up 46 per cent after financial costs but before extraordinary items and taxes.

FT INTERNATIONAL BOND SERVICE

Table listing 200 latest international bonds with columns for Issued, Bid, Offer, and Change on day week. Includes sections for US DOLLAR, OTHER STRAIGHTS, CONVERTIBLE, and SWISS FRANCS.

Finance chief for Salomon

SALOMON BROTHERS has appointed Mr Peter Gottsegen, currently a managing director in its New York office, to oversee the firm's global finance activities from London.

Vertical text on the right edge of the page, including 'Bank IB' and 'Gra'.

UK COMPANY NEWS

Rank undeterred by IBA ruling on Granada bid

BY RAYMOND SNODDY

The Rank Organisation said yesterday it is determined to press ahead with its contested \$750m takeover bid for the Granada Group despite an Independent Broadcasting Authority (IBA) decision that such a move is "unacceptable".

SE clears Morgan over share purchases

By Martin Dickson

THE STOCK EXCHANGE yesterday cleared Morgan Grenfell, the merchant bank, of breaching its regulations in spending \$360m buying shares in Imperial Group, its client United Biscuits, which is bidding £2.4bn for Imperial.

Hanson Trust, a rival bidder for Imperial, argued that an agreement by United Biscuits to indemnify Morgan for any loss on the share purchases was a breach of Stock Exchange rules.

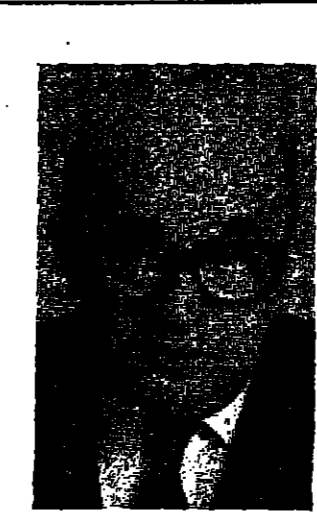
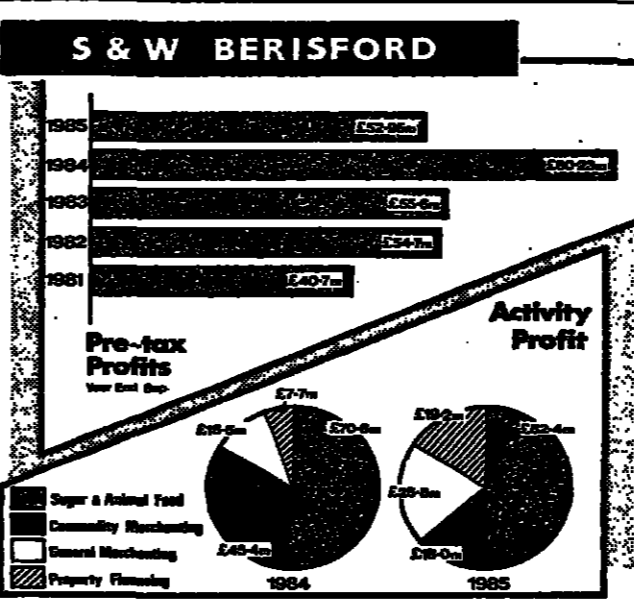
These specify that a quoted company, such as United, cannot spend more than 25 per cent of net worth on an investment without consulting shareholders. United's last disclosed net worth was only £50m more than the value of the Morgan purchases.

Andrew Gowers on Ferruzzi's out-of-the-blue approach to Berisford Italian suitor with a sweet tooth

THE RELATIONSHIP between S. & W. Berisford, the commodity trading group, and the best monopoly which it acquired for £282m in 1982, has never looked a very happy one.

Berisford, which is a trading company par excellence and run in a highly personalised fashion by Mr Ephraim Margulies, its chairman and managing director, has often been perceived as not meshing well with a mature industrial company in a glutted market.

The City has long been rife with speculation over Berisford. Analysts believed that Mr Margulies would want at some time to sell off British Sugar. They had also whispered at frequent intervals that the chairman was weary of running a publicly-owned company and was keen to take the trading side of Berisford back into a more discreet and private environment.



Mr Ephraim Margulies, the chairman of S & W Berisford

Mr Margulies pointed out that a large part of the profit had resulted from events beyond his control—such as the overall drop in trading volumes on key commodity markets such as those in tea, sugar and metals and a cost-price squeeze at BSC, induced by EEC sugar price settlements and sterling's weakness against the dollar.

But that prospect turned sour as Berisford's initial offer was rejected by the Monopolies and Mergers Commission, which lost its valuable time and enabled BSC to improve its margins markedly.

But that prospect turned sour as Berisford's initial offer was rejected by the Monopolies and Mergers Commission, which lost its valuable time and enabled BSC to improve its margins markedly.

considerably higher than that. For Berisford, there may be a great deal of logic to the Ferruzzi approach.

Haslemere under attack

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

Rodamec, the Netherlands-based investment trust, last night stepped up its attack on Haslemere Estates, the property company for which it has made a £240m takeover bid.

Havelock Europa agrees terms to acquire rival

BY DAVID GOODHART

Havelock Europa, the shop-fitter and store refurbisher which came to the USM in 1984, has reached an agreed all-share deal with its main Scottish competitor, Store Design, which values the private company at about £12m.

Argyll hearing adjourned

By David Goodhart

Argyll's High Court move to block the latest Guinness agreement bid for Distillers has been adjourned until early next week.

NMC suspended on talks

The shares of NMC Invest, a manufacturer of fibro-pan containers and investment group, were suspended from trading on the Stock Exchange yesterday after the company said it had "entered into negotiations which may lead to proposals being put to shareholders."

CITICORP advertisement for U.S. \$3,500,000 8.75% Interest Enhancement Notes due November 27, 2035. Includes details on interest rates and redemption terms.

Kingdom of Spain Floating Rate Notes Due 1997 advertisement. Interest rate 8 1/4% per annum. Issued by Credit Suisse First Boston Limited.

Hampton Trust raising £11m advertisement. Hampton Trust, the property and gold mining group, is raising a further £11m via the issue of further 11m shares.

Granville & Co. Limited Over-the-Counter Market table. Lists various stocks with columns for High, Low, Company, Price, Change, Dividend, P/E, and Fully Paid.

Swedish 40 Year Note Trust 3/4% Income Certificates Due 2024. NOTICE IS HEREBY GIVEN to the holders of the outstanding 3/4% Income Certificates Due 2024.

Split by Wham! duo is blow to acquisition plan. THE ANNOUNCEMENT that rocked the world of pop music last week—that the hugely successful Wham! group is to split—is now leaving its mark in the City.

SOCIETES DE DEVELOPPEMENT REGIONAL £30,000,000 15 1/2 per cent, Guaranteed Bonds 1992. S.G. WARBURG & CO. LTD. announce that Bonds for the nominal amount of £3,000,000 have been drawn in the presence of a Notary Public for the redemption instalment due 1st April, 1992.

U.S. \$125,000,000 European American Bancorp Floating Rate Notes Due 1992. Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the three months from 27th February, 1986 to 27th May, 1986 the Notes will carry an interest rate of 8 1/4% per annum.

Public Works Loan Board rates table. Effective February 26. Shows interest rates for various terms (Years) and repayment methods (Quota loans, Non-quota loans).

NOTICE OF REDEMPTION To the Holders of Swedish 40 Year Note Trust 3/4% Income Certificates Due 2024.

LADBROKE INDEX 1.288-1.272 (+6) Based on FT Index Tel: 61-427 4411

It is not, after all, the most difficult thing in the world to buy a lowly rated, mature business with highly valued paper and enhance earnings and assets per share at the end of year one. The problem is that mature businesses (bricks and batteries to name but two) tend to stay mature, so the acquirer has to buy more — and bigger — businesses in order to sustain the growth rating of the share price which makes the whole process possible in the first place.

The logical conclusion of this argument is that the likes of ICI must eventually be swallowed up if the momentum is to be sustained. But, long before that rather fanciful position is reached, the market may begin to have its doubts about the ability of a central management to control such disparate organisations and, more important, about the transfer of power in what are to some extent personal creations.

FINANCIAL TIMES (LEX) 22nd January 1985

The ones most likely to get bought are those where the incumbent management have already taken steps to sort things out, but the bidder has cottoned on before the shareholders, and grabs it on the cheap.

All too often the victims are subsequently starved of the cash they need to grow because management is pre-occupied with trying to pay the interest bills or sort out a company it does not understand. So research gets cut, marketing gets trimmed and the company as a whole is weakened.

LONDON STANDARD 13th February 1986

But in too many cases today's big deals are far too much about making money, and not at all about making things.

Obviously Lord Hanson will produce counter arguments in an attempt to refute these searing criticisms, he has no option but to do so quickly in case the idea really gets round that "the Emperor is wearing no clothes."

GLASGOW HERALD 11th February 1986

EVEN Lord Hanson cannot walk on the water.

Now, though, he may have grown too big for there to be many worthwhile acquisitions left, at least in the UK. And his share price has been sagging.

DAILY MAIL 17th January 1986

THE case against Hanson Trust is a strong one. In the past year, the shares have gone nowhere in a strongly rising market.

Rightly or wrongly, Hanson Trust is perceived by the financial markets as a bicycle that has to be pedalled hard to stop wobbling.

Longer term, it must be admitted that the policy of growth by acquisition is suspect. Hanson has to convince a doubting market that it can also generate growth without takeovers.

DAILY TELEGRAPH
27th January 1986

Equally, it is still perfectly legitimate to have doubts about Hanson Trust's ability to maintain growth by acquisitions on this sort of scale.

GUARDIAN 8th January 1986

Hanson Trust.
(We'll leave it to others to make the cutting remarks.)



Canadian Imperial Bank of Commerce
(A Canadian Chartered Bank)
U.S. \$150,000,000
Floating Rate Deposit Notes Due 1996

In accordance with the provisions of the Notes, notice is hereby given, that for the interest period from November 29, 1985 to February 28, 1986, the rate for the final interest sub-period from February 27, 1986 to February 28, 1986, has been determined at 7 1/4% per annum, and therefore the amount of interest payable against Coupon No. 6, or per US\$10,000 nominal in registered form, on the relevant interest payment date February 28, 1986, will be US\$203.75.

The Chase Manhattan Bank, N.A., London, Agent Bank
February 27, 1986

Legal Notices

THORNTON ENGINEERING (ELESIMERE PORT) LIMITED
NOTICE IS HEREBY GIVEN pursuant to Section 588 of the Companies Act, 1985, that a meeting of the creditors of Thornton Engineering (Elesimere Port) Limited, will be held at the offices of Leonard Curtis & Partners, 46, Rodney Street, Liverpool L1 9AA, on Thursday the 6th day of March 1986 at 11.30 o'clock in the forenoon, for the purposes provided for in Sections 588 and 590.

ORRETO SERVICES LIMITED
T/A THORNTON ENGINEERING
NOTICE IS HEREBY GIVEN pursuant to Section 588 of the Companies Act, 1985, that a meeting of the creditors of Orreto Services Limited, T/A Thornton Engineering, will be held at the offices of Leonard Curtis & Partners, 46, Rodney Street, Liverpool L1 9AA, on Thursday the 6th day of March 1986 at 12 o'clock in the forenoon, for the purposes provided for in Sections 588 and 590.

THE FINANCIAL TIMES
is proposing to publish a Survey on
GHANA
on Monday May 19 1986
Advertising copy date for this Survey is
Monday April 21 1986
For further information please contact:
Hugh Sutton, Area Manager—Africa
Financial Times, Bracknell House
10 Cannon Street, London EC4P 4BY
Tel: 01-248 8000 ext. 3238 Telex: 885033

UK COMPANIES

Victor Products recovers to make £0.5m in first half

THE ENDING of the miners' strike has enabled Victor Products to reverse the mid-year slump into loss experienced in 1984. For the six months ended October 31 1985 the group has turned in a profit £516,000, compared with a loss of £349,000, and the interim dividend is raised from 1.6p to 7.9p net per share. The directors say the company is recovering well from its problems. They feel, at this stage, there is no reason why the second half should not produce a "somewhat better" result than that now published, although the full year will not approach the record £1.8m of 1982-83.

In the last quarter of the year to April 30 1985 the group returned to the black—the period ended only seven weeks prior to the year-end—and finished with a loss of £570,000 (profit £1.1m) but held the dividend at 4.6p.

One reason for the slow down in the rate of loss was success in broadening the group's activities, with the aim of lessening its dependence on NCB work. However, in the 1985 half year it was difficult to carry through this policy as there was an accelerating rate of order input from the NCB, and the company is currently working considerable overtime to keep up with the immediate demand from this customer.

This pressure is not expected to last into the next financial year and the directors continue with their efforts to ensure that business from other customers is fostered—the group also serves the oil and petrochemical industries.

Turnover in the 1985 half rose from £8.95m to £9.58m. Tax takes £206,000 (£104,000) to leave earnings at 3.6p per share (less 9p).

£5m sought under BES to set up fashion store chain

First Retail Stores is asking investors for £5m under the Business Expansion Scheme to establish a chain of fashion shops, initially operating as franchisees for Stefanel.

The issue, sponsored by Robert Fraser, will raise up to 5m ordinary shares at £1 each. The minimum issue of £504,000 has been secured by a subscription of £140,000 from the founding directors and £364,000 underwritten by the sponsors.

The company plans to acquire a chain of long leasehold shops with sales areas of between 500 and 3,000 sq ft, primarily in south-east England. It already has a preliminary franchise agreement with Stefanel, which manufactures colour co-ordinated Italian knitwear.

Once the company is established, the directors will consider diversifying into other areas as fashion franchisees and eventually to launch their own retail chain.

The issue will open on March 5 and will close on April 2. It is ensuring that investors can claim tax relief in either the current or the coming fiscal year.

As the end of the taxation year approaches, an unprecedented number of business expansion schemes have surfaced. Several schemes have had to extend their deadlines in recent weeks, fuelling speculation that the market has become saturated.

BOARD MEETINGS

TODAY	FUTURE DATES
Interims: AAH, Broken Mines, Cope Allman International, FII Group, Kinross Mines, Leisure Investments, Leslie Gold Mines, Medicinvest, Unisal Gold Mines, Winkathak Mines.	Interims: Industrial Finance and Invest. Mar 3 Kent (John) Feb 28 Process Systems Mar 14
Finals: A.C. Carr, Channel Islands and International Investment Trust, T. Cowie, Good Relations, Imperial Chemical Industries, W. and R. Jacobs, Johnson Drilling, Pacific Assets Trust, Ratchiffs (Great Bridge), River Plans and General Investment Trust, Royal Insurance, Scottish Estate Investment Trust, SKF, Woodhouse and Risson.	Finals: Antilegans Mar 10 Heywood Williams Mar 5 Laidlaw Thomson Mar 10 Noble and Lund Feb 28 VG Instruments Mar 25 Wilkes (James) Mar 6 † Amended.

CONTRACTS
£7m orders for Tarmac

Projects together worth over £7m have been awarded to TARMAC CONSTRUCTION. One of the largest is for more than £1.8m, is for modernising 116 homes at Donnington, Shropshire, for the Property Services Agency. Other contracts include a single-storey warehouse, offices and external works at Blyth Valley, Northumberland, for Shulton (Great Britain) at £1.2m; and renovating and refurbishing premises in Phillipsmore Gardens, W8, for Glath Securities at £1m. Further projects are a retail store at Halesowen, West Midlands, for A. and J. Mucklow and Co. (£381,000); an express road car park at Chester-le-Street, for Durham County Council (£361,000); and improvements to 80 system-built homes for Wrexham Borough Council (£238,000). Tarmac Refurb, the refurbishment specialist company, has a £361,000 contract to form a mentally handicapped unit at Cape Hill, Smethwick, for Sandwell Health Authority. Roofing contractors Briggs Amasee have won two contracts for the new £1.5m, in Edinburgh, the company has an £550,000 contract to refurb the Edinburgh Royal Infirmary. Work is due for completion in the summer. The company is also fitting-out a new data centre for Citibank Savings at King Street, Hamersmith, under a £1m contract due for completion in the spring. Existing offices are being stripped out and new floors, ceilings and services are being installed. In Coeham, near Portsmouth, Haas, Kyle Stewart Management Contracting is due to start work soon on a 70-week £1m repair and refit project for IBM. It involves up-grading an award-winning 1970-built office building to a 10,000 sq m, with phased-handovers while the building remains occupied by IBM staff.

Building contracts in the north west together worth £4.7m have been won by UNIT CONSTRUCTION COMPANY, Liverpool, by an express road car park at Work is due to start next month on a £1.6m contract which is part of Liverpool City Council's major £10m regeneration scheme. It is to build 88 one- and two-storey homes, together with ancillary works, at Christian St, Liverpool 3. Completion is due in autumn 1987. Construction has started, at Silkstone St, St Helens, on a £1.5m contract for Merseyside Improved Housing. The scheme involves new homes, including accommodation for disabled persons. An old millshed and two coal-faces are being altered to form a new building. Completion is due in autumn 1987. At Callands 7, Warrington, Unit Construction has been awarded a design-and-build contract for Warrington and Runcorn Development Corporation for 32 homes for the elderly, together with warden's accommodation. Valued at £834,000, the contract is due for completion in the summer. For the Liverpool Health Authority the company is completing a building and plant for a 25-storey geriatric day hospital at Sefton General Hospital, Liverpool. Valued at £495,000, the contract is due for completion by the end of the year. At the Halifax Building Society's Allerton branch, Liverpool, Unit is under a £200,000 contract comprising alterations to ground, first and second floors of the branch office, together with the ground floor of the premises to form larger offices.

Walking dragline order

RANSOMES & RAPHER, Ipswich, a subsidiary of Central and Sheerwood, has an order from India valued at £4.4m. The major item is a Rapier W2000 walking dragline worth £3.4m. The Heavy Engineering Corporation of Ranchi. This machine is the ninth to be ordered from Ransomes & Rapier as part of a collaboration agreement between the two companies. When completed in India the machine will be operated by Coal India on one of its open cast mining projects. The order includes components valued at £800,000 to expedite completion of walking draglines already under construction in India. Spare parts orders worth £700,000 have also been placed to maintain completed machines working in Coal India's fields throughout India. The Rapier W2000 walking dragline has a working weight of 1,900 tonnes with a boom length of 86 metres. The maximum bucket capacity of this machine is 34 cu metres.

Monitoring foreign broadcasts

HONEYWELL has been awarded a contract for computer systems to enable the BBC Monitoring Service to collect, control and edit the text of monitored broadcasts from reception through to publication. The contract, valued at around £2m, is part of a £15m programme funded by the British Council and the Office to modernise the facilities at the Caversham headquarters of the BBC Monitoring Service. Delivery is scheduled for November 1987. The new system will be based on a configuration of two Honeywell DPS 8/49C large computers with 32 Mb of memory, running the CP-6 operating system. The system will provide a 24-hour 7-day/week operation. It will capture "text" received in both the remaining room and radio/teletype sections and handle the processing of the information through to publication.

BALFOUR BEATTY CONSTRUCTION has been awarded a £2.91m design and build contract by Black & Decker to build a 100,000 sq ft, two-storey and 100,000 sq ft of warehousing. The contract comprises demolition and alteration works with a schedule which will result in two stage hand-over by Balfour Beatty. The warehouse and racking system, together with access roads and loading dock facilities must be finished by the end of May to allow the client to take possession.

JOHN LAING CONSTRUCTION

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE STOCK DESCRIBED BELOW IS NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND. OFFICIAL DEALINGS IN THE STOCK ON THE STOCK EXCHANGE ARE EXPECTED TO COMMENCE ON THURSDAY, 27TH FEBRUARY 1986.

PARTICULARS OF AN ISSUE OF £800,000,000
9 1/2 per cent CONVERSION STOCK, 2005

SCHEDULE OF PAYMENTS:

Amount paid on issue	£20.00 per cent
Amount payable on Monday, 28th April 1986	£40.00 per cent
Amount payable on Monday, 2nd June 1986	£36.50 per cent

INTEREST PAYABLE HALF-YEARLY ON 18th APRIL AND 18th OCTOBER

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

The whole of the Stock has been issued to the Bank of England on 25th February 1986 at a price of £90.50 per cent. The amount paid on issue was £20.00 per cent, the amount payable on 28th April 1986 will be £40.00 per cent and the amount payable on 2nd June 1986 will be £36.50 per cent. The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.

The Stock will be repaid at par on 18th April 2005. The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Exchange Act 1986 and the relevant subordinate legislation. The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.

Transfers will be free of stamp duty. Interest will be payable half-yearly on 18th April and 18th October. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be issued by the Bank of England for the account of members of the Central Gilts Office Service will also be transferable, in multiples of one penny, by exempt transfer in accordance with the Stock Exchange Act 1986 and relevant subordinate legislation. Transfers will be free of stamp duty.

Interest will be payable half-yearly on 18th April and 18th October. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be issued by the Bank of England for the account of members of the Central Gilts Office Service will also be transferable, in multiples of one penny, by exempt transfer in accordance with the Stock Exchange Act 1986 and relevant subordinate legislation. Transfers will be free of stamp duty.

Until payment in full has been made and a completed registration form submitted to the Bank of England, the Stock will be represented by letters of allotment. Payment in full may be made at any time prior to 2nd June 1986 but no discount will be allowed on such payment. Interest may be charged on a day-to-day basis on any overdue amount which may be accepted at a rate equal to the London Inter-Bank Offered Rate for seven day deposits plus 1% (the "LIBOR") plus 1 per cent per annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due date for the relevant payment, for LIBOR obtained from such source or sources as the Bank of England may determine. Default in due payment of any amount in respect of the Stock will render the allotment of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, New Issues, Watling Street, London EC4M 9AA on any date not later than 29th May 1986. Such requests must be signed and must be accompanied by the letters of allotment (but a letter cannot be split if any payment is made). Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the final instalment is paid, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 2nd June 1986.

Until the close of business on 15th September 1986, Stock issued in accordance with this prospectus will be known as 9 1/2 per cent Conversion Stock, 2005 "A". The interest due on 18th October 1986 will be paid separately on holdings of the existing 9 1/2 per cent Conversion Stock, 2005 and on holdings of "A" Stock as at the close of business on 15th September 1986; consequently, interest mandates, authorities for income tax exemption and other notifications recorded in respect of holdings of existing Stock will not be applied to the payment of interest due on 18th October 1986 on holdings of "A" Stock. The last date for lodgement at the Bank of England of transfers for registration as "A" Stock will be 11th September 1986. After this date, for purposes of certification, the "A" Stock will not be distinguished from the existing 9 1/2 per cent Conversion Stock, 2005. From the opening of business on 16th September 1986, the "A" Stock will be amalgamated with the existing Stock.

Copies of this notice may be obtained at the Bank of England, New Issues, Watling Street, London-EC4M 9AA, at any of the Branches of the Bank of England, or at the Glasgow Agency of the Bank of England, 25 St Vincent Place, Glasgow G2 2EB; at the Bank of Ireland, Moyne Buildings, 1st Floor, 20 Callender Street, Belfast BT1 5BN; at Mullens & Co., 75 Moorgate, London EC2P 6AN; or at any office of The Stock Exchange in the United Kingdom.

Government is drawn to the statement issued by Her Majesty's Treasury on 29th May 1985 which explained that, in the interest of the orderly conduct of fiscal policy, neither Her Majesty's Government nor the Bank of England or their respective servants or agents undertake to disclose tax changes decided on but not yet announced, even where they may specifically affect the terms on which, or the conditions under which, this Stock is issued or sold by or on behalf of the Government or the Bank; that no responsibility can therefore be accepted for any omission to make such disclosure, and that such omission shall neither render any transaction liable to be set aside nor give rise to any claim for compensation.

BANK OF ENGLAND
LONDON
25th February 1986

New Issue
February 1986

Deutsche Bank Finance N.V.
Curaçao, Netherlands Antilles

DM 710,000,000
6 1/4% Deutsche Mark Bonds due 1996
with an undertaking by
Deutsche Bank Aktiengesellschaft, Frankfurt
to ensure payments of principal and interest and
with Warrants attached issued by Deutsche Bank AG
to subscribe to 994,000 Bearer Shares of

Deutsche Bank Aktiengesellschaft
at the Subscription Price of DM 793 per Share of DM 50 par Value each

Deutsche Bank Aktiengesellschaft	Commerzbank Aktiengesellschaft	CSFB-Effektenbank AG
Bayerische Vereinsbank Aktiengesellschaft	Swiss Bank Corporation International Limited	Union Bank of Switzerland (Securities) Limited
Dresdner Bank Aktiengesellschaft	Banca Commerciale Italiana	Bank of Tokyo (Deutschland) Aktiengesellschaft
Algemene Bank Nederland N.V.	Banque Nationale de Paris	Banque Paribas Capital Markets Limited
Bankers Trust GmbH	Berliner Handels- und Frankfurter Bank	Creditanstalt-Bankverein
Bayerische Landesbank Girozentrale	DG Bank Deutsche Genossenschaftsbank	EBC Amro Bank Limited
Deiwa Europe (Deutschland) GmbH	Goldman Sachs International Corp.	Industriebank von Japan (Deutschland) Aktiengesellschaft
Generale Bank	Mitsubishi Finance International Limited	Morgan Grenfell & Co. Limited
Merrill Lynch International & Co.	Morgan Stanley International	The Nikko Securities Co., (Deutschland) GmbH
Morgan Guaranty GmbH	Orion Royal Bank Limited	Salomon Brothers International Limited
Nomura Europe GmbH	Swiss Volksbank	S. G. Warburg & Co. Ltd.
Société Générale	Wood Gundy Inc.	Yamaichi International (Deutschland) GmbH
Westdeutsche Landesbank Girozentrale		

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

HAMPTON TRUST PLC
(Incorporated in Scotland under the Companies Acts 1908 to 1917—No. 13187)

Placing of £11,000,000
11 1/2 per cent First Mortgage Debenture Stock 2025
at £99.11 per cent, payable in full on acceptance

Application has been made to the Council of The Stock Exchange for the whole of the Stock to be admitted to the Official List.

In accordance with the requirements of the Council of The Stock Exchange, £11,000,000 nominal of the Stock is available in the market today.

The Stock being issued will rank *pari passu* and forms a single series (save only for the first payment of interest thereon) with the £10,000,000 11 1/2 per cent First Mortgage Debenture Stock 2025 of Hampton Trust PLC constituted and secured by a Trust Deed dated 18th October, 1985.

Listing particulars of the Stock will be circulated in the Extel Statistical Services and copies of the listing particulars may be obtained during usual business hours on any weekday, except Saturdays and public holidays, up to and including 12th March, 1986 from:

Hampton Trust PLC,
76 Gloucester Place,
London W1E 4AU

Barclays Merchant Bank Limited, Ebbgate House, 2 Swan Lane, London EC4R 3TS	de Zoete & Beran, 25 Finsbury Circus, London EC2M 7EE
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Copies of the listing particulars will also be available until 3rd March, 1986 from the Company Announcements Office, The Stock Exchange, London EC2P 2BT.
27th February, 1986.

RESIDENT ABROAD

Resident Abroad, published by Financial Times Business Information, is Britain's monthly magazine for people living or working overseas. It informs and advises on all aspects of finance and business, with articles on UK and foreign investment, property, pensions, taxation and insurance. It entertains and informs on matters of health, education, travel and leisure—all of this every month.

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UK COMPANY NEWS

Eleco's profits surge 25% and orders hold up well

GROWTH at Eleco Holdings has continued in the 1985-86 year with profits up by 25 per cent at the six months stage.

Furthermore, order books in all sections are holding up well and the directors are looking for a very satisfactory full year.

Turnover for the opening half (to December) increased by 51 per cent to £14.85m and at the pre-tax level profits pushed ahead from £810,000 to £1.01m.

Eleco's interests are in construction, engineering and property.

The interim dividend is being brought more into line with the final and is being lifted by 56 per cent to 1.5p net per 10p share.

The engineering division is now centralising its total light-

ing operations in the recently acquired premises at Romford, Essex. This is coupled with the installation of advanced equipment at Haverhill, Suffolk, which will produce a new range of products connected with the electrical trunking business.

The directors say this development expenditure of £1m in the current year will considerably enhance the division's profits in the future.

The property company is near the end of its land bank with the exception of a site for major project at Littlehampton, Sussex. Action will be taken in the near future to provide continuity to property development.

In the meantime it is pointed out that normalised gross rental income now exceeds £1.2m.

Trading profits for the first half rose from £543,000 to £873,000. Net rental income added £333,000, against a previous £287,000.

Tax accounted for £155,000 more at £280,000 to leave the available balance at £718,000, compared with £715,000—equal to 4.6p (4.4p) per share.

Dividends will absorb £250,000 (£164,000).

The year to end-June 1985 saw pre-tax profits rise from £1.76m to a record £2.2m. The results reflected the measures taken in restructuring group management.

Last month Eleco announced that it had sold its Composite Structures subsidiary to its management team.

Foreign and Colonial lifts asset value 11% to 96p

FOREIGN and Colonial Investment Trust, Britain's second largest investment trust, lifted net assets 11 per cent from 86.6p per 25p share to 96.5p for the year to December 31, 1985.

The recommended final dividend is 0.99p, making a total of 1.47p, a rise of 15 per cent on the adjusted 1.275p paid in 1984.

Net revenue rose 16 per cent to £8.03m, against £6.92m, and earnings per share rose from 1.5p to 1.51p.

Mr John Selater, the chairman, said the company was looking for good markets in 1986 with steady growth in the world's major economies, low oil prices and falling interest rates.

He said that during 1985 the number of private investors in the trust had risen because of the success of its Foreign and Colonial Savings Plan which allowed shares to be bought conveniently and cheaply.

The company said it invested an extra £22m in the US and £26m in Europe during the year. US dollar loans were increased, with borrowing reaching 25 per cent of net assets. The trust made significant profits on holdings of US and German government bonds.

There is a saying in the City that investment trusts fare well for four out of five years then fall in the fifth. 1985 was a "fifth" year for Foreign and Colonial. The first half was a disaster. The combination of a weak dollar, strong yen, the collapse of electronics and surge in consumer spending couldn't have been worse for an investment trust which is strong on US domestic, Japanese blue chips and electronics, and weak on consumer stocks. In the second half all these factors reversed and Foreign and Colonial regained lost ground to end the year with a respectable 11 per cent increase in net assets. Unfortunately for Foreign and Colonial, the City had hoped for more and the share price remained unchanged at 77p. The trust is already strengthening its managing director. For years Foreign and Colonial has adopted the safe, sensible policy of taking small stakes in a wide range of interests, while its more dynamic competitors have favoured substantial stakes in a few strategic areas and a more interventionist approach. The investment trust sector is ripling with rumours of takeover bids. Thus far Foreign and Colonial's size and strength have protected it, another weak year and it may look vulnerable.

Pilkington expands Pilkington Brothers has paid £2.5m cash for Kool-then Insulation Products, which is a major producer of high performance rigid polyurethane insulating foams. It is based in Glossop, Derbyshire, employs about 150 people, and generates a turnover of some £9m. The current management team, under chief executive Mr John Whelan, will continue to run the company with the present workforce.

Pilkington says this acquisition adds to its current product areas, and broadens the scope of its insulation service.

ALBRIGHT & WILSON, a wholly-owned subsidiary of the US Tenneco group, raised turnover to £242m (£266m) in 1985. Trading profits were £41.3m (£41.4m). Capital expenditure rose to £43m (£35m). The results included two acquisitions but profits here were offset by currency translations. UK profits were lower because adverse exchange rates depressed margins. Largest profit contribution came from North America. Albright manufactures chemicals and allied products.

Good August helps Isotron to £729,000

In its first interim report as a public company, Isotron announces a 56 per cent advance in pre-tax profits from £468,000 to £729,000.

The company, which provides the only independent gamma radiation service in the UK, lifted turnover by 25 per cent to £1.53m and operating profit by 37 per cent to £290,000 in the six months ended December 31, 1985. Interest receivable was up from £29,000 to £127,000 reflecting interest on cash raised by last July's flotation.

Mr Colin Clive, chairman, says although revenue from the processing of insulated electrical wire did come up to expectations, all other business areas progressed well.

He says the company had a particularly good August, normally a month of low activity, with the effect that the first half of this year will probably account for a higher proportion of annual operating profits than last year, when the total was £1.05m.

The company continues to grow and a further advance is anticipated in the second half.

Benefit is expected this year from a substantially lower tax rate and the interim provision reflects this, amounting to £248,000 (£222,000). This leaves earnings at 3.9p (2.1p) and an interim dividend of 0.5p is declared.

BVI continues growth trend with 45% rise

SECOND-HALF profits of £545,000 have been earned by British Vending Industries to give a record £823,000 for 1985, an advance of £266,000, or 45 per cent, over the previous year.

As promised in the interim statement, shareholders receive a higher dividend. On capital increased by last July's one-for-four rights issue (raising some £940,000 net), the final payment is 0.81p for a net total of 1.4p, against 1.05p.

The directors say the results further consolidate the group's growth profile. The current year has started well and they are confident that the trading

pattern which has been established will continue.

A loss of £496,000 was incurred in 1981, and since then the group has progressively lifted its profits.

In 1985 turnover rose from £24.14m to £27.52m and the trading profit from £283,000 to £931,000. The three divisions catering wholesale, coffee service, and medical all contributed to the overall performance.

After a substantially higher tax charge of £229,000 (£70,000) the net profit works through at £523,000 (£517,000) for earnings of 5.57p (5.86p) per share.

Olives Paper Mill halves losses

Olives Paper Mill virtually halved its pre-tax losses in 1985, but there was continued pressure on paper prices and margins in price, they say, and this, coupled with cost increases in other raw materials, wages and services, will mean an increase in paper prices.

The company has made significant improvements in the operating efficiency of the mill and during the last quarter of the year was trading profitably, the directors add. However, as so much depends on the sterling exchange rate, they say it is difficult to make a prediction for 1986.

are blamed by the directors for the difficult conditions.

Woodpulp is again increasing in price, they say, and this, coupled with cost increases in other raw materials, wages and services, will mean an increase in paper prices.

The company has made significant improvements in the operating efficiency of the mill and during the last quarter of the year was trading profitably, the directors add. However, as so much depends on the sterling exchange rate, they say it is difficult to make a prediction for 1986.

NOTICE OF EARLY REDEMPTION

National Westminster Bank PLC US \$100,000,000 Floating Rate Capital Notes 1994

NOTICE IS HEREBY GIVEN that, pursuant to the Paying Agency Agreement dated 11th July 1979 between National Westminster Bank PLC (the "Bank") and Morgan Guaranty Trust Company of New York (the "Paying Agent") and the Paying Agents therein defined, a Trust Deed dated 11th July 1979 between the Bank and the Law Debenture Corporation p.l.c., as trustee, under which the Bank issued its US \$100,000,000 Floating Rate Capital Notes 1994 (the "Notes") and the terms and conditions of the Notes, the Bank has elected to and shall redeem on 16th April 1986 (the "Redemption Date") all of the outstanding Notes at a redemption price of 100% of the principal amount thereof (the "Redemption Price"), together with the accrued interest to the Redemption Date.

The Notes shall become due and payable on the Redemption Date at the Redemption Price which shall be paid upon presentation and surrender of the Notes at the offices of the Paying Agents listed below.

The coupons for interest due on or before 16th April 1986 should be detached and should be collected in the usual manner. All coupons pertaining to the Notes outstanding on the Redemption Date shall become void and no payment shall be made in respect thereof, and Noteholders are requested to surrender such coupons with the Notes. The Notes will no longer be outstanding after the Redemption Date and will be cancelled.

Payments at the office of any Paying Agent outside the United States will be made by United States dollar check drawn on, or transfer to a United States dollar account with, a bank in New York City. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury that the payee is not a United States person, or an executed IRS Form W-9, certifying under penalties of perjury that the payee's taxpayer identification number (employee identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

PAYING AGENTS

- Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015
Corporate Trust Department
- Morgan Guaranty Trust Company of New York
Madison Avenue 46
4000 Frankfurt-am-Main
West Germany
- Morgan Guaranty Trust Company of New York
14 Place Vendôme
75001 Paris, France
- Morgan Bank Nederland N.V.
12 Tesselachestraat
P.O. Box 154
Amsterdam, Z, Holland
- Morgan Guaranty Trust Company of New York
Morgan House
1 Angel Court
London EC2R 7AE England
- Morgan Guaranty Trust Company of New York
Avenue des Arts 25
B-1040 Brussels, Belgium
- Caisse d'Epargne De L'Etat
1 Place de Metz
Luxembourg, Luxembourg
- Handelsbank N.W.
Talstrasse 59
CH-8022
Zurich, Switzerland

NATIONAL WESTMINSTER BANK PLC
By: Morgan Guaranty Trust Company
of New York, Principal Paying Agent

February 27, 1986

NOTICE OF EARLY REDEMPTION



European Investment Bank
US\$200,000,000 12 3/4% Bonds due 1st April, 1989

NOTICE IS HEREBY GIVEN that pursuant to the Terms and Conditions of the Bonds, EIB have elected to redeem all of the Bonds of their principal amount on the next interest payment date, 1st April 1986, when interest on the Bonds will cease to accrue.

Repayment of the principal will be made upon presentation and surrender of the Bonds, with all unremitted coupons attached, at the offices of any one of the Paying Agents mentioned hereon.

Coupon No. 5 which matures on 1st April 1986 should be detached and presented for payment in the normal manner.

Bankers Trust Company London,
28th February 1986

Agent Bank



Nestle Oy
U.S. \$100,000,000
Floating Rate Notes Due 1994

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from 27th February, 1986, to 27th August, 1986, the Rate of Interest will be 8 1/8% per annum. The interest payable on the relevant Interest Payment Date, 27th August, 1986, will be U.S.\$405.36 for each U.S.\$100,000 principal amount of the Notes.

Agent Bank:

Morgan Guaranty Trust Company of New York
London

New Issue
January, 1986

This advertisement appears
as a matter of record only.



Canada
U.S. \$ 1,000,000,000
9% Bearer Bonds of 1986/1996

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- Orion Royal Bank Limited
- Merrill Lynch International & Co.
- Swiss Bank Corporation International Limited
- Banque Nationale de Paris
- Dominion Securities Pitfield Limited
- Morgan Guaranty Ltd
- Algemene Bank Nederland N.V.
- Banca Commerciale Italiana
- Bank für Gemeinwirtschaft Aktiengesellschaft
- Bank of Montreal
- Bankers Trust International Limited
- Banque Générale du Luxembourg S.A.
- Banque de Neufville, Schlumberger, Maffei
- Bardays Merchant Bank Limited
- Bell Gouinlock Limited
- Casanova & Co.
- Citicoop Investment Bank Limited
- Credit Commercial de France
- Credit Lyonnais
- DeirDok & Co.
- DG Bank
- Deutsche Genossenschaftsbank
- Erskilda Securities
- Scandinaviska Enskilda Limited
- Generale Bank
- Goldman Sachs International Corp.
- Georg Hauck & Sohn Bankiers
- Kommanditgesellschaft auf Aktien
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- Kleinwort, Benson Limited
- Lloyds Merchant Bank Limited
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- Westdeutsche Landesbank Girozentrale
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- Baring Brothers & Co. Limited
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- Credit Industriel d'Alsace et de Lorraine
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New Issue
February 27, 1986

This announcement appears
as a matter of record only.



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A recently established and rapidly expanding investment management group is seeking a highly experienced sales executive to market a range of unit trusts to intermediaries throughout the country.

In addition to considerable experience and a demonstrable track record in the sale of financial products, the ideal candidate should have a clear understanding of global investment markets.

The funds are targeted at the more sophisticated intermediary and investor, and the personality of the individual must reflect the fund manager's outstanding investment credentials.

An attractive salary and benefits package will be available.

Please apply with full CV to Box No. A0064 Financial Times, 10 Cannon Street, London EC4P 4BY.

AVIATION

Marketing Director sought for two-year-old Aviation Brokerage/Supply company which specialises in commercial/general aviation brokerage and makes a two-way market in commercial/military aviation spaces at Europe, North America, and the Third World. Company is a subsidiary of one of the world's leading international investment and merchant banking groups, provides diversified services including banking, trade financing, export trading and advisory services. Applicants should have 10-15 years of relevant sales and marketing experience in the aviation industry, and a proven record of dynamic performance. French and/or Portuguese language skills highly desirable. UK base. Compensation commensurate with experience and excellent incentive bonuses paid for successful performance. Please send detailed CV in confidence to CEO, 111 Charter Oak Avenue, Hartford, Connecticut 06105 U.S.A., Attention: Joyce Williams.

Appointments Wanted

EXPERIENCED EXECUTIVE with Specialist Expertise in Sales and Marketing. Open to the UK and US has time available from his own business to contribute in matter of policy and development issues. Corporate experience including retail, light engineering, fashion and ceramics. Holding an directorship by the age of 30 and with proven track record in growth generation. Write Box A0064, Financial Times, 10, Cannon St, London EC4P 4BY.

Société Générale, a leading International Bank, is currently seeking experienced dealers to join its busy dealing room. These are positions which have arisen through the continuing expansion of the Bank's trading activities. The successful candidates will join existing teams at the Bank's superbly appointed, prestigious U.K. Head Office in the heart of the City.

Spot Dealer

Ideally aged 25-30, candidates should have a minimum of five years' experience of spot currency markets.

Corporate Dealer

Candidates, ideally in their late 20's/early 30's, must have considerable experience of both foreign exchange and deposit markets and should also be able to demonstrate a sound knowledge of new products. General marketing ability in these areas is necessary.

For both positions a knowledge of French, although not essential, would be an advantage.

In return, Société Générale offers an excellent modern working environment and the range of benefits normally associated with a leading International Bank, including a competitive salary plus bonus, subsidised mortgage, non-contributory pension and free medical insurance.

Applications will be treated in the strictest confidence.

To apply please write, enclosing full CV, to Mr J.M. Crosby, Staff Manager, Société Générale, 60 Gracechurch Street, London EC3V 0HD.



SOCIÉTÉ GÉNÉRALE

MARKET PLANNING MANAGER

Salary around £20,000 plus benefits

Halifax Building Society is seeking to develop further its market planning function based at Head Office in Halifax.

As part of this development, the Society wishes to recruit a Market Planning Manager who would report to the Controller Market Planning.

The main responsibilities will include: the analysis of trends and developments within the personal savings and housing market, delivery systems, type and location of outlets, producing marketing programmes and the co-ordination of product strategies.

The successful applicant will be responsible for assisting the Controller of Market Planning in the briefing of senior management on all relevant markets.

Candidates should have held an appointment which has involved considerable strategic or market planning experience as the function interfaces closely with corporate planning. Experience in the field of finance would be an asset and it is preferable that a relevant degree is held. Preferred age range is mid 30's to early 40's.

The post carries a full range of benefits including the provision of a car, contributory pension scheme, life assurance, EUSA and staff mortgage facilities.

To apply please send a full & marked 'Private' to: General Manager Personnel & Services, Halifax Building Society, PO Box 60, Trinity Road, Halifax HX1 2RG.

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International Appointments

Corporate Foreign Exchange Marketing Manager

Manufacturers Hanover Corporation is seeking a Corporate Foreign Exchange Marketing Manager.

This senior appointment, to be based either in Zurich, Paris or Frankfurt, calls for a first-rate Marketing Manager with extensive experience in Corporate Foreign Exchange.

The task encompasses:

- co-ordination of the bank's FX marketing within continental Europe.
- supervision of personnel throughout the region.
- establishment of market strategies, particularly in relation to leading European and US multinational corporations.

Fluency in English, French and German is essential as is demonstrable success in all aspects of FX marketing including face-to-face presentation to financial management.

Salary is entirely negotiable and will be supported by a generous benefits package including relocation, where appropriate.

Confidential Reply Service: Please write with full CV quoting reference 2014/RS on the envelope. CVs will be forwarded directly to our client who will conduct interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London EC4A 4EA.

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المؤسسة العربية المصرفية
ARAB BANKING CORPORATION

MANPOWER TRAINING AND MANAGEMENT Bahrain based

Already one of the largest Arab banks, our client ABC has an expanding worldwide presence with assets of over \$11 bn and employing over 3,900 staff. In keeping with its commitment to staff development, training and welfare, it now seeks to enlarge its Personnel function by the appointment of two additional Human Resource Managers to be based at the bank's head office.

MANPOWER PLANNING AND DEVELOPMENT MANAGER
\$46,000 tax free

Candidates for this position should ideally be in their early thirties, possess a university degree or equivalent Personnel Management qualification together with at least 7 years' relevant experience gained within a bank or similar financial institution. Previous experience in the Middle East would be a distinct advantage.

The prime responsibilities will be to plan a strategy for manpower development, to identify training needs, prepare detailed training plans, set a budget and to design, run and evaluate the agreed training programmes.

For both positions, competitive tax free remuneration packages are offered, including fully furnished accommodation, return air fares, education allowance, pension and discretionary bonus.

Please send a detailed Curriculum Vitae to: Roy Webb, Managing Director, Jonathan Wren International Ltd., 170 Bishopsgate, London, EC2M 4LX, Tel: 01-623 1266, Telex: 8954673 WRENCO.

ASSISTANT MANAGER (PERSONNEL)
\$34,000 tax free

For this position, candidates should possess an appropriate personnel related qualification, and preferably be aged 27-32 with at least 5 years' relevant banking experience. Middle East exposure would be preferred.

The successful applicant will be responsible for managing all personnel services including compensation, benefits and allowances, holiday entitlement, expatriate accommodation etc., together with the day to day administration and implementation of the bank's personnel policy and procedures.

CHIEF FOREIGN EXCHANGE DEALER TUNISIA

Our client, a leading offshore bank, seeks a chief dealer to continue the expansion of the bank's international trading activities.

Ideally aged about 30, energetic and highly motivated with proven communicative and leadership skills, candidates should possess extensive international contacts in both the foreign exchange and deposit markets, and sound experience of new products. A knowledge of French, although not essential, would be an advantage.

Reporting to the deputy general manager, the chief dealer will be responsible for motivating the existing trading team and for departmental profitability.

A tax free remuneration package of not less than US\$50,000 + bonus, company car, medical care, paid holidays, and fully furnished family accommodation. A renewable contract of 2 years is envisaged and relocation expenses will be met where appropriate.

For further details please write or telephone quoting ref: MJB.



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Tel: 01-351 7151

Financial Controller Kenya

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Working closely with the Managing Director and the Board, you will be expected to make a significant contribution to increased profitability and corporate development by further improving financial and operational systems and closely monitoring the business. You will also maintain the usual reporting link to the U.K. Holding Company.

Applicants must have strong personal skills and financial sector experience, preferably gained overseas.

After a short period in the London Head Office, the posting to Nairobi will be on a two year renewable contract. There will be further opportunities within the group.

A tax efficient remuneration package (UK equivalent from £20,000 + benefits) will be negotiated and will include free housing, staff, car and usual local benefits.

Please write with a full c.v. and daytime telephone number to David Tod BSc FCA quoting ref. D/92/NF.

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QUALIFIED AND EXPERIENCED TRUST OFFICER

The successful applicant must hold the Trustee Diploma of the London Institute of Bankers and will have had at least seven years' experience in all aspects of practical trust administration. Some practical experience of company administration work would be advantageous.

Responsibilities will include day-to-day administration of complex trusts, executorships and associated investment management accounts on his/her own initiative and participation in the on-the-job training of graduate trainee administrators.

Applications, together with a résumé of qualifications and experience, should be forwarded to:

The General Manager, BITCO
P.O. Box N-7768, Nassau, Bahamas
not later than 14th March, 1986.

Appointments Wanted

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MASTER IN BUSINESS ADMINISTRATION

German native, 38, E/SP/F is looking for an executive position — also trouble shooting and/or time management. Foreign countries preferred
Contact: Chiffre, Box A0060, Financial Times
10 Cannon Street, London EC4P 4BY

EXECUTIVE MANAGER FOR INTERNATIONAL TRADE

c. US\$60,000

plus full expatriate benefits

Bahrain*

This is an important new appointment for an expanding Islamic investment bank, a member of the AlBaraka Group of banks and finance houses.

The successful candidate will hold an appropriate qualification with at least five years' experience in locating, handling and bringing to a profitable conclusion international trade transactions of all types. He will have in-depth knowledge of where to buy and where to sell.

Please forward detailed curriculum vitae to:

The General Manager
AlBaraka Islamic Investment Bank
P.O. Box 1882, Manama, BAHRAIN, Arabian Gulf
to arrive not later than 15th March 1986

* Residence outside Bahrain may be considered

Interviews in Bahrain or London

TECHNOLOGY

Apricot integrates up-market attack

APRICOT Computer, the UK microcomputer manufacturer, this week launched a novel computer system which it believes gives it the opportunity to compete in mini and mainframe markets.

Called the Apricot XEN Multi-user system, it comprises a small computer based on Intel's most powerful microprocessor chip, the 286, together with intelligent workstations and a local area network making it possible to connect up



to 60 workstations to a single XEN computer, the workstations can be Apricot XENs, IBM PC or PC clones.

The machine is a distributed processing system. The XEN computer is described as a file server, a machine whose functions are to manage files and distribute information to the workstations on the network.

Working under the DOS operating system, the workstations are likely to be Apricot's diskless intelligent units. The XEN can also serve as a host of the Xenix operating system, when dumb terminals could be used.

Figures published this week by Apricot suggest that a four user system with two megabytes of memory, 50 megabytes of storage and 12 megabytes of tape back-up will cost £11,341 against £15,424 for an Altos multi-user system of inferior specification.

Measured against a Digital Equipment Microvax II at £32,900, the Apricot system for eight users costs £17,790.

Roger Foster, Apricot group chief executive, says it is the first time that data processing, word processing, graphics, telephone and data communications has been successfully integrated into one affordable system.

Future enhancements include a gateway to IBM token-ring local area networks and Xenix Net, a new operating system which will allow a Xenix cluster to run in the network.

There is a need for better project management
Success lies in clearer definition of objectives

THE QUALITY of project management in major new systems developments, where computer hardware and software has to be integrated together to give a functioning whole, has acquired increasing importance as public awareness of the consequences of poor system design and implementation has grown.

Everyone is aware, for example, of the nonsense which emanated from the Driver and Vehicle Licensing Centre in Swansea before the system there was properly commissioned.

More recently, there has been the dreary tale of the Nimrod, the RAF's high altitude surveillance aircraft which obstinately refuses to come in on time and under budget.

The deficiencies in both these projects were highly publicised; what is less well known is that most systems development programmes are notorious for their uncontrollable.

In a new management guide, a team from PA Consulting Group says: "Cost and time overruns of 100 per cent or more are not uncommon, and

on a recent PA survey in the UK, over 65 per cent of projects were found to have seriously exceeded their budgets."

"In addition, many projects fail to deliver the promised benefits and in some cases threaten the very survival of the sponsoring organisation."

Why should this be so, and what can be done about it? The question is given added force by the number of very large computing projects in progress, the success or otherwise of

which will have a very direct effect on the public. These include everything from cashless shopping to the extra terrestrial weapons envisaged for the US Strategic Defense Initiative.

Mr Paul Thornton, leader of the PA team, argues that the nub of the problem is a failure on the part of both customers and systems implementers to realise the extent to which system specific management

techniques have to be grafted onto the traditional methods of good project management found in, say, the construction industry.

He identified three characteristics peculiar to systems development projects.

First, the pace of technological change. Perhaps the best example is the ambitious scheme to computerise the Inland Revenue PAYE operations. The decision was taken to go ahead with the project in 1980 at which stage it was decided to install computer terminals in tax offices in the West Midlands connected by telephone lines to ICL's then largest mainframe, the 2800 series.

In 1983 this trial system went live and within a year it was decided to extend the system to the whole country. But in the three years since the project started, ICL had put a new big computer on the market the Series 39 or Estrella, with vastly improved price/performance.

Second, the difficulty of measuring progress on a project involving complex software systems. Given the com-

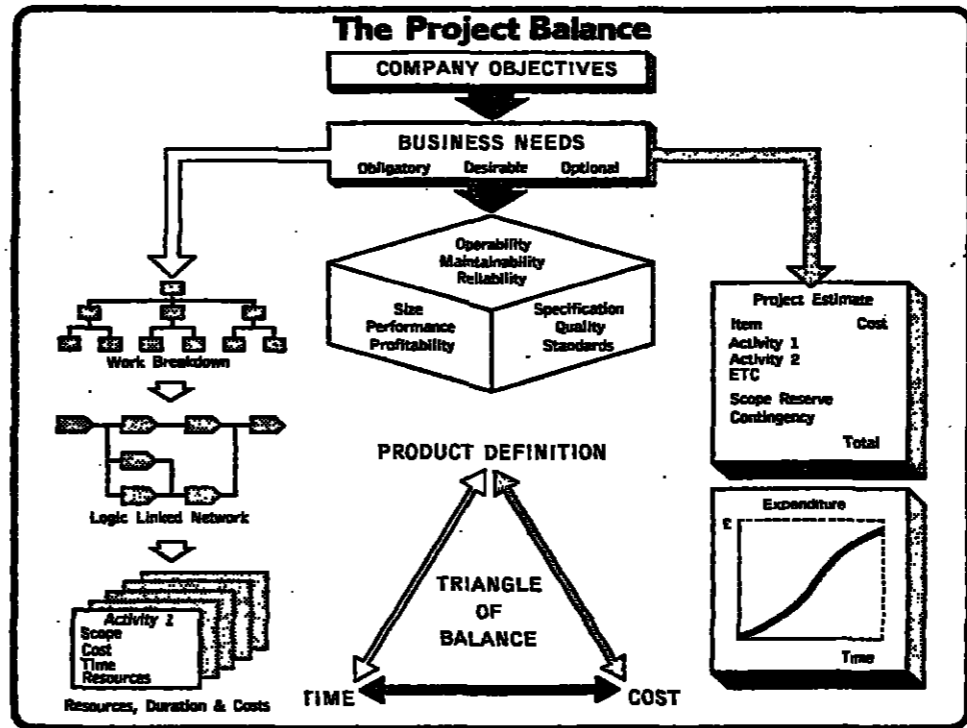
plexity of modern hardware and software it is virtually impossible to show mathematically that any system is correct for all conditions in which it may be used.

A vehicle scheduling system, for example, designed to make life easier for fleet manage-

ment in the distributive trades will be used in a slightly different way by each firm installing it. Inevitably bugs (errors) undetected during quality control will show up when the system goes live. Sending a truck to Luton rather than Manchester is one thing—send-

ing a missile or laser bolt to the wrong place is quite another.

Third, quality control. A major systems project may have a life of 15-20 years in that time the hardware on which it runs will have gone through several generations and the



DALE GENERATING SETS

Dale Electric of Great Britain Ltd, Electricity Buildings, Fley, Yorkshire YO4 9PZ, Tel: 0723 54441 Telex: 52343

functionality, the number of things the system is expected to do, may have increased drastically.

Banks are a good example. They are now involved in the first major rewrite of their systems since the late 1960s. Yet in the next two decades they will have to cope with a whole raft of new services from cash machine networks to home banking. The software must be robust enough to cope with all the necessary changes.

According to Paul Thornton, the bulk of the spending on such a project comes after implementation, not before. So customers will have to realise they are putting in systems on which they will be spending ever-increasing sums of money.

The diagram sets out the way the trade-offs have to be made between the cost, time and the final product. Software tools, pieces of software which make it easier to write other pieces of software, have a big part to play in successful project management but in the end well defined objectives and clear lines of responsibility are the key.

The personal computer represents an ideal business tool for...

Smoothing middle management's route to the top

JONATHAN CHAPPLE is something of a gamekeeper turned poacher, a large computer user who got away. Formerly director of systems for computing and communications for Hertz Europe, he is now going it alone with a self imposed mission to act as a catalyst for the use of personal computers in business.

He combines vast enthusiasm for the personal computer as a business tool with a healthy disregard for many of the claims made by personal computer manufacturers, attitudes developed and reinforced by his experience at Hertz.

His first report notes, for example: "People talk about

the state of the art as if it were a matter of fact. What matters is the state of the 'assessable art'. This is what the corporate buyer perceives as an acceptable commercial support risk."

"By this definition, the general purpose multi-user micro has not yet arrived in acceptable form even though multi-user products have been readily available from fringe suppliers for some time. The multi-user micro will become an acceptable support risk for large companies in the second half 1986."

He draws two principal conclusions from his experience: First, that two computing cultures can now be identified in many large companies—the

orthodox data processing (DP) culture and the new, alternative culture based around the personal computer. "The orthodox computer person, DP-man, has never needed a screwdriver to do his job. He has never attached cables to components or fiddled around inside peripherals to configure them for his particular installation."

"But do-it-yourself is the first commandment for PC-man, a new breed of specialist user / analyst / programmer technician which has been evolving for about five years."

Mr Chapple sees substantial conflicts of interest between the two cultures, amounting to an information systems war.

The problem for management is to ensure that both cultures coexist sufficiently well for it to be able to exploit the virtues of each.

Second, Mr Chapple sees the principal role of the PC as a tool for use by middle management—the business planning department, for example, to hold down masses of indigestible data to provide simple, easily understood information for top management.

He does not believe that the PC, at least in its present form, is a tool for use by top management.

He argues that improved communication between middle management and top management is the key to the success of the PC rather than improved office productivity.

In some cases, he says, introducing PCs may result in decreased productivity. "Management approves of PCs because they increase top management performance directly. The prime motivation is not increased office automation as some like to think."

Indeed, office productivity is actually declining in some areas because the proportion of management communication which bypasses the established office machine is on the increase."

"The Corporate PC: User perspectives and new market opportunities £5 01-870 0094.

Accountancy Appointments

Company Notices

Expanding US group seeks a computer orientated
FINANCIAL EXECUTIVE
City £25,000 + finance sector benefits

A major American financial institution which is now expanding rapidly in the UK, continental Europe and the Middle East seeks a capable manager to take full charge of the finance function for this area, reporting to the Regional Vice President.

An immediate key requirement will be the computerisation of all financial and management accounting systems on an IBM System 36 installation which is shortly to be delivered.

Applicants must be qualified accountants with relevant DP experience. A knowledge of insurance company reporting requirements, gained either by working in this sector or by auditing clients within it, would be a distinct advantage.

Please send a comprehensive career résumé, including salary history and daytime telephone number, quoting ref: 2363 to G.J. Perkins, Executive Selection Division.

Touche Ross
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Finance director - international contracting

A specialist engineering subsidiary of a well regarded British group, this company has a reputation for technical excellence and product reliability in its sector of the international capital goods market. Turnover is over £50 million but management style is lean and active.

Working closely with the Managing Director, your role will be far reaching and primarily commercial, taking the lead in strategic planning, contracting strategy, competitive analysis and negotiating project finance around the world. You will direct the entire financial function where key tasks will be to strengthen financial disciplines and reshape management information to the changing business needs.

You should be a qualified accountant with strong commercial orientation and a background which includes controllership of a substantial company; preferably with experience of tendering, project funding and contract financial control in the long term contracting industry.

The salary and benefits package including car, BUPA and relocation, will be generous commensurate with the responsibility of the role.

Please write enclosing your curriculum vitae and daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B290.

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FIDELITY INTERNATIONAL FUND N.V.
Registered Office: Schotweg Oost, Salinje, Curaçao, Netherlands Antilles

Notice of Annual General Assembly of Shareholders

Please take notice that the Annual General Assembly of Shareholders of Fidelity International Fund N.V. (the "Fund") will take place at 2.30 p.m. at Schotweg Oost, Salinje, Curaçao, Netherlands Antilles, on Thursday March 20, 1986.

The following matters are on the agenda for this Assembly:

- Report of Management.
- Election of six Managing Directors. The Chairman of the Management proposes the reelection of the following six existing Managing Directors: Hicashi Kurokawa, Edward C. Johnson, John M.S. Patton, Charles A. Fraser, James E. Tonner.
- Approval of the Balance Sheet and Profit and Loss Statement for the fiscal year ended November 30, 1985.
- Ratification of actions taken by the Managing Directors since the last Annual General Assembly of Shareholders, including payment of interim dividends in respect of the fiscal year ended November 30, 1985 and in respect of the period from December 1, 1985 until the date the Fund is placed in liquidation, and authorization of the Managing Directors to declare additional dividends in respect of those or any other fiscal periods if necessary to enable the Fund to qualify for distributor status under United Kingdom tax law.
- Ratification of actions taken by the Investment Manager since the last Annual General Assembly of Shareholders, in the event the Plan of Liquidation and Reorganization is approved.
- Proposal, recommended by Management, to adopt a Plan of Liquidation and Reorganization whereby the Fund shall be dissolved and liquidated as a Netherlands Antilles naamloze vennootschap and be reconstituted as a Luxembourg société d'investissement à capital variable ("Sicav").
- Election of six Liquidators. The Chairman of the Management proposes the election of the following individuals as Liquidators, in the event the Plan of Liquidation and Reorganization is approved: Hicashi Kurokawa, John M.S. Patton, Charles A. Fraser, James E. Tonner.
- Ratification and approval of the execution and delivery by the Fund of a Subscription Agreement with Fidelity International Fund, a Luxembourg Société to be formed for the purpose of carrying on the business now conducted by the Fund, in furtherance of the proposed liquidation and reincorporation.
- Adoption of such amendments to the Articles of Incorporation or Valuation Regulations of the Fund as may be necessary or desirable in order to carry out the intent and purposes of the liquidation of the Fund and its reconstitution as a Sicav.
- Authorization of the Fund to take such further actions and to enter into such further agreements, instruments and other documents as shall be necessary or appropriate in order to carry out the intent and purposes of the aforesaid Plan and Agreement.
- Such other business as may properly come before the meeting.

Holders of registered shares may vote by proxy by mailing a form of proxy to the Fund at the following address:
Fidelity International Fund N.V.
c/o Mashuro & Curjel's Trust Company N.V.
P.O. Box 305
Curaçao
Netherlands Antilles

Proxy forms may be obtained from the Fund's Principal Office in Paramaribo, Surinam, or from Fidelity International Management Limited in London, or from the banks listed below.

Holders of bearer shares may vote by proxy by depositing their shares with any of the organizations listed below and obtaining from such organization a form of proxy and certificate of deposit for their shares. The proxy and certificate of deposit should be mailed to the address set forth above. Alternatively, holders of bearer shares wishing to exercise their rights personally at the Meeting may deposit their shares, or a certificate of deposit therefor, with the Fund at Schotweg Oost, Salinje, Curaçao, Netherlands Antilles, against receipt of which receipt will entitle said bearer shareholder to exercise such rights personally at the Meeting.

All proxies (and certificates of deposit issued to bearer shareholders) must be received by the Fund not later than 1.00 P.M. on March 20, 1986, in order to be used at the Meeting.

By order of the Management
Charles T.M. Collis
Secretary
February 25, 1986

Fidelity International Management Limited
25 Lower Lane
London EC3R 8LL, England

The Bank of Bermuda Limited
Hamilton, Bermuda

Bank Julius Baer & Co.
Bahnhofstrasse 36
Zurich, Switzerland

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GROUP FINANCIAL DIRECTOR (Designate)
Public Company - South Herts - £25,000+ & Car

One of the largest manufacturers of office furniture in the UK, is seeking a Chartered Accountant for the new position of Group Financial Director. Initially joining as Group Company Secretary, you will be responsible for controlling Group finances, managing resources, monitoring trade performance and, in due course, will be involved with total corporate strategy.

To undertake this demanding job, you will need experience of a manufacturing environment, a background of dealing with Banks and Professional Advisers, a high degree of integrity, sound commercial judgement, self motivation and proven leadership qualities.

Our Client offers an attractive remuneration package which includes the usual benefits associated with a successful Quoted Company. Please write with full career details and achievements to date, quoting ref. 417/30, to Alan C. Martin, Regional Director, Professional Personnel Consultants Limited, Godwin House, George Street, Huntingdon, Cambs PE18 6BU, Tel: Huntingdon (0480) 411111. "an equal opportunity vacancy"

Financial Controller
West End store c. £23,000 + car

This long-established and highly prestigious name in British retailing, part of a major group, is experiencing significant growth in both sales and profits through a major programme of investment.

The Financial Controller will join the management team and be responsible to the Managing Director for maintaining tight financial controls and information systems, including the upgrading of present existing computerised accounts, to exploit further profit and growth opportunities.

Developing a close day-to-day working relationship with departmental managers, to establish their financial objectives and to monitor the profitability of their operations, is a key feature of this total financial management role - as is the leadership of some 40 staff.

This highly-visible appointment will appeal to chartered accountants, probably aged over 30, who have a retailing background and sound experience of developing and installing computer-based systems.

A mature and calm personality and sound management ability are important in controlling the current process of change in the organisation. High professionalism and strong interpersonal skills are necessary to influence the parent company's Board.

The negotiable salary is supported by a range of executive benefits including a fully expensed car and PPF. Success here could lead to career development either within the company or elsewhere in the group.

Please send full cv which will be forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent.) Ref: R2060/FT.

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THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Public relations

Cracks appear in the image

Some consultants fear that the boom is over. David Churchill reports

THE PUBLIC relations consultancy business in Britain is booming—but for how long? More and more companies are becoming aware of the benefits of hiring image specialists to help with takeover bids, lobby MPs, support new product launches, communicate to employees and shareholders, and generally raise the status of the corporate profile.

But, equally, a growing number of companies is becoming worried about the ability of PR companies to sustain an effective service. The key cause of concern is the dearth of good quality staff needed to meet the growing demand in an industry which is now generating total expenditure—both in-house and consultancy—of some £500m.

This manifests itself in a number of ways. For example, a marketing director of one company which has recently parted company with its consultancy points out: "We were very disappointed to find that we hardly ever saw the people who did the original presentation and put forward such an attractive PR programme. Instead, there was a steady breakdown of communication between us."

A number of major PR accounts, moreover, have changed hands in recent months—especially in the competitive retail sector. Woolworth, for example, took its £200,000 account from Lopex to Paragon PR, while rival High Street chain Littlewoods is parting company from Good Relations and is currently looking for a new consultancy.

Some consultancies are also beginning to be worried that the PR "bubble" may be about to burst.

"Just when there seems a real chance of burying the O'Booze image of PR hackdom and securing that giddy goal of being judged an essential facility, too many practitioners appear to be cutting corners, settling for superficial solutions to current needs and setting the scene for an erosion of standards," asserts Frank Barnard, chairman of the Extel Consultancy.

There is a variety of reasons for the current unease among consultancies and clients about the state of the industry, but perhaps the main one is simply that PR has grown so far and so fast in the 1980s.

Unlike previous recessions,

the economic downturn in the early 1980s did not hamper PR's growth but actively encouraged it. Companies looking for ways of cutting budgets decided that diverting funds from advertising to PR proved in many instances to be more cost effective. At the same time, new opportunities for PR activity were emerging—such as the growth of high-tech and financial PR.

A new survey¹ released last week of Britain's top 500 industrial companies suggests that only one in ten has never used PR consultants to help improve their image and two-thirds of those surveyed "believe that PR will continue to grow in importance in their organisation."

Meanwhile, the Public Relations Consultants Association, the consultants' own trade body, has also just released figures showing that the 113 member consultancies last year earned total fees of just over £50m—a rise of 23 per cent over 1984 and four times the earnings of the consultancy business in 1980.

But the demand for PR services is clearly beginning to impose a strain on the resources

of consultancies. "At the very time that demand and understanding is increasing, the PR consultancy business seems in danger of outpacing itself and underperforming at the same time," suggests Extel's Barnard.

The problem is a serious lack of quality PR executives able to handle the new business. "Increasingly it is the scarcity of good staff who can talk to top people and understand the role of communications that is the main drawback to more rapid growth," argues Roddy Dewe of Dewe Rogerson, one of the leading financial PR consultancies.

Dewe, however, finds that PR is now attracting more entrants from professions such as accountancy, stockbroking, and business school graduates—in advance of the deregulation of the City this autumn—which he believes will raise standards and help meet the new demand. Most journalists, he adds, do not usually make good PR executives since they are too used to thinking on a day-to-day basis rather than strategically.

Consultancies, however, have proved reluctant to pay any



"Every year we pay you thousands to improve our image—and every year all you come up with is a pin-up calendar."

more than lip-service to training staff and the results are beginning to show in the quality of service clients receive. At the same time, the comparatively few PR executives with experience are in great demand and salaries are escalating rapidly. One PR executive who recently moved to a major consultancy for about £30,000, recalls Barnard: "He is a good man, but not £30,000 good."

While both PR organisations—the Institute of Public Relations and the PRCA—are trying to encourage more training in consultancies and to upgrade the content of CAM courses (communications, advertising, marketing), the issue does not yet appear to be taken really seriously by many consultancies.

Another facet of the current PR boom which is causing concern is just how far consultancies are acting as agents rather than consultants. "Pure consultancy should mean that the PR is offering specialist expertise to a client for which he pays a fee," points out Carol Friend, managing director of Pielle PR and this year's president of the IPR. "However, increasingly it appears that many consultancies are acting more as agents by seeking to charge 17.5 per cent commission on selling extra services, such as print buying or mounting exhibitions. I'm not sure how far this is in the interests of the client."

Getting value for money from PR is the key issue for most companies and something which is beginning to be questioned more and more. Ian Gray, managing director of the Rumb-

Phone cards: now a collector's item

Carla Rapoport explains why Japan's gift mania is a bonus for Nippon Telephone

STATE monopolies have never been known for their marketing skills and this is true even in Japan. Nippon Telephone and Telegraph, newly launched into the private sector last year, had long been seen as a sleeping behemoth with no particular talents other than an excellent bill collection service.

That image is rapidly changing. One can barely cross the street in the business districts of Tokyo without running into a bunch of NTT employees dressed like fishermen in happi coats and headbands. Calling out loudly to passers-by with megaphones and taped recordings, these white street merchants are selling telephone cards for ¥300 and ¥1,000 apiece (£1.95-£3.90).

Telephone cards, of course, are not unique to Japan. But NTT has hit upon a formula which is so popular that it is hoisting the use of public pay phones in Japan and providing a healthy flow of cash at the same time. NTT's telephone cards, or card-o's as they are known in Japan, are made from a flexible plastic film that can carry a picture. These pictures, ranging from Sumo wrestlers (see below) to cherry blossoms, Valentine's Day Hearts, have made card-o's the perfect gift.

The Japanese are inveterate gift givers. Wedding guests in Japan must both give and receive gifts. There are even two gift-giving seasons in Japan, summer and winter. The most popular gifts are those intended to be used, like soap or salad oil. This relieves the recipient of excessive obligation to the giver.

NTT has 250 different kinds

of card and also has 10 styles of card which customers can have printed themselves. Cards can be printed for weddings or achievements like making a hole-in-one, but not in lots less than 10. As the printing costs money, NTT charges ¥38,000 for 100 cards of ¥500 value.

You're talking about adding value to a telephone call which hasn't even been made. So it's kind of like printing money," says an evasive marketing manager at an American telecommunications company in Tokyo.

Sales of the cards have been little short of fantastic. In 1985, with just three months of sales, ¥65m worth of the cards was sold. In the year ended last March, sales had expanded to ¥7bn. By next month, NTT reckons it will have quadrupled last year's total to ¥30bn (\$186m).

The phone company doesn't say how many of the calls are made with the cards, but it does admit that a "significant" portion are never used because they are now collectors' items.

According to Hiroshi Takaaki, an executive with NTT in Tokyo, a ¥5,000 commemorative card bearing a picture of Osaka Castle issued three years ago by a branch office is now worth a staggering ¥85,000. If it is unused. A used Osaka Castle of the same vintage is worth ¥24,000. Takaaki reckons that there are more than 30,000 serious collectors of telephone cards in Japan. As to how much of a flop NTT achieves, Takaaki had no comment except to say "It's a very good business for us."



How Nestle used PR

NESTLE, the multinational food processing group, has learned the hard way that effective planned public relations is an important part of corporate activities.

Late in 1984 a seven-year, worldwide boycott of its food products was called off after the company had finally communicated to its critics and the public at large that its motives and methods of selling baby food to Third World countries were not based on pure greed.

The boycott clearly demonstrated how problems can get out of control without effective PR. "The primary lesson of the infant formula controversy is that in a complex world in which many issues can become catalysts of political and social conflict, no company

can afford to be without an effective public relations capability," asserts Rafael Pagan, president of Nestle's co-ordination centre for nutrition. Pagan, quoted in the latest issue of the Institute of Public Relations Journal, was belatedly recruited by Nestle in 1981 to employ public relations techniques to end the baby food boycott.

Nestle's problems started in 1970 when it was claimed—totally unfairly, says Nestle—that the company's aggressive marketing tactics for baby food mixes in developing countries was responsible for a sharp decline in breastfeeding in poor countries, with subsequent high rates of infant mortality.

The issue gained ground during the 1970s. Nestle, however, remained aloof, refusing to give any credence to its critics' claims. But it did significantly lessen its consumer advertising in poor countries—yet failed to take any credit for its actions.

"If Nestle had possessed what we in the US consider basic public relations skills, I am convinced the company would—before the controversy surfaced—have established continuing, credible contact with such public as the news media, academics, churchgoers, medical organisations, and consumer groups," says Pagan.

Slowly Nestle came to realise that it had to change its attitudes or risk the issue escalating further. But the credibility gap that had developed meant that orthodox PR tactics stood little chance of working, Pagan believes.

So, in 1981, Nestle set up an autonomous crisis management unit—the co-ordination centre for nutrition headed by Pagan—to plan and implement a broad-based political strategy to end the boycott. Based in the US, where the boycott was most active, the unit comprised five full-time executives and used specialist

PR consultants when necessary.

The main strategic decision aimed at re-asserting Nestle's credibility was to listen carefully to its critics. Nestle found that while the campaign was led by skilled political activists, it received moral authority and support from church-oriented critics. So a lengthy series of one-to-one contacts was made with church leaders to establish trust and put the Nestle case.

Out of these talks came a special audit commission, headed by former US Secretary of State Edmund Muskie, to monitor Nestle's marketing activities. "It proved to be a major step in the process of creating credibility for Nestle," points out Pagan.

Eventually, Nestle's slow but steady PR tactics paid off and the boycott was abandoned in October 1984. Nestle, however, has learnt its lesson and has kept its crisis management unit in operation.

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- COPYWRITER?
- GRAPHIC DESIGNER?
- PRINT BUYER?
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Handwritten Arabic text: "بسم الله الرحمن الرحيم"

BUSINESS LAW

Rebuff for a Portuguese state trader

By A. H. HERMANN, Legal Correspondent

A DECREE suspending a valid contract made by a government for the sole purpose of securing a great benefit for its wholly-owned enterprise and thus for itself, at the cost of the contractual partner of that enterprise, cannot be given effect by an international arbitral tribunal sitting in the Netherlands. Three eminent arbitrators, Prof. C. J. H. Brunner, Mr. P. A. MacCenzie, QC, and Prof. Frank Visser, held in a dispute between Settebello Ltd., the Liberian outpost of Thyssen, the West German steelmaker, and Seteana, the Portuguese state-owned shipyard.

The arbitrators said that to give effect to such a decree would be contrary to generally accepted principles of international law and would offend concepts of public policy and morality common to all trading nations. The arbitral tribunal thus restated with emphasis a principle which is of great importance for all companies doing business with governments and their trading agencies.

It reaches far beyond the dispute between Thyssen and Portugal and its significance increases with the volume of trade between the Communist and Third World countries on the one hand and private companies on the other. As the world credit system—if one may call it a system—cracks in its seams, the attempts on the part of the debtor countries to brush it aside in favour of an unrestricted sovereign immunity are bound to become more frequent, as the still unfinished saga of the International Tin Council illustrates.

English courts have been traditionally reluctant to sit in judgment over the actions of foreign governments. They have retained longer than judges in any other country an exaggerated respect for foreign sovereignty entering the market place. One reason for this might have been that the principle of sovereign immunity helped the UK when it faced a number of actions as a result of wartime expropriations made under the "trading with the enemy" legislation. Another reason might have been the Foreign Office's distaste for vulgar business interests securing relations with friendly countries.

1979, in the dispute between Carnikow and the Polish state trading organisation Rolimpex, although the House of Lords decided in favour of the state trader, Lord Wilberforce said that if a foreign government were taking action purely in order to extricate a state enterprise from contractual liability, such action might be denied the character of government intervention. This, he added, would require clear evidence and definite findings.

Such evidence and definite findings about the nature of the decree by which the Portuguese Government interfered with the contract between Seteana, its shipyard, and Settebello, its shipyard, were required when Seteana sued Banco Totta and Acores in the High Court over a guarantee to pay \$22m in connection with the Portuguese shipyard's failure to deliver. However, Mr Justice Hurst, before whom this case was brought, did not feel the same way as Lord Wilberforce. He said that to grant requests to obtain evidence in Portugal that the decree was made at the initiative of the shipyard would be meddling in the legislative business of a friendly power. The plaintiff's interests, he said, had to yield to a higher legal principle.

A decision of a Commercial Court judge is not the end of the road and some reasons in my column on August 9, 1984 might have thought that I was exaggerating its significance. However, since then Mr Justice Hurst was confirmed by the Court of Appeal and the House of Lords refused to grant to Settebello leave to appeal, thus indirectly confirming the Court of Appeal decision.

If the same line is taken by the courts when they come to decide the merits of the dispute between Settebello and Banco Totta and Acores, it will be a reversal of legal policy bound to cause more difficulties for British firms in the future and to render British practice out of tune with that of other countries. Another welcome consequence will be that inter-continental arbitrations which are very often about disputes between a private company and a government-owned enterprise will continue to avoid London. The anti-business attitude of English courts can best be demonstrated by reporting the main points of the award, which was made under the rules of the Netherlands Arbitration Institute (RNAI) and was registered as effective from the day it was posted—in contrast with the

general rule of Portuguese law which makes communications effective only from their receipt—included in doubt because of the short time available to the shipyard.

After it had served its purpose, the decree was never again invoked. It has been judicially referred to in Portugal as the Seteana decree. Settebello never recognised the pseudo-legislative intervention into its contractual rights. It insisted on the legality and effectiveness of its cancellation notice and claimed repayment of the \$11m already paid. Seteana on its part claimed that the cancellation notice was illegal and asked for \$31m plus interest. After about two years it sold the tanker to another party for \$20m.

The arbitrators concluded that "to give effect to the decree-law would be to deprive Settebello, without compensation, of a contractual right to cancel for the default of Seteana, a shipbuilder whose delays had already placed it in breach of contract well before the decree-law was passed. It would equally deprive Settebello of its right under Article 11(b) of the contract to recover some US\$1m with interest in respect of general effect postponing the rights of all creditors like a moratorium. It was designed to destroy the right of Settebello to cancel the contract for failure by Seteana to deliver and to recover the \$11m it had paid. Though worded in general terms, it struck at no one else. The award in favour of Settebello, said the arbitrators, was the only one compatible with elementary canons of equity."

The rules of the Netherlands Arbitration Institute to which the arbitration clause referred provided for the application of equity. But Settebello appealed by Portuguese law and the Dutch courts. It may be that the decision should have been made on the basis of Portuguese law exclusively. It will take several months before we learn about the stand taken by the Dutch courts. It may take even longer before the action between Settebello and the guaranteeing bank is decided by English courts.

Whichever way they go, the Portuguese company will have an impact on business between governments and private companies.

THE FINANCIAL TIMES is proposing to publish a Survey on DIRECT MARKETING Wednesday April 9, 1986 For further information, please contact NINA JASINSKI Details of Financial Times Surveys are subject to change at the discretion of the Editor FINANCIAL TIMES Europe's Business Newspaper

F.T. CROSSWORD PUZZLE No. 5,959

Crossword puzzle grid with numbers 1-27. The grid is 10 columns wide and 15 rows high. Numbers 1-27 are placed in the starting squares of the words.

ACROSS 1 Outstanding feature of British and German currency (8) 2 To be wrapped in bag would be a blower (6) 3 Time trial? (4-4) 4 Told a story about a good man that's registered (6) 5 It's a change creates a stir (8) 6 Very small record (6) 7 Share with a friend in a reasonable way (10) 8 Score just one more (8) 9 The elder made king (8) 10 "The wind was a torrent of... among the gusty trees..." Noyes (The Highwayman) (8) 11 Striving to study nursing (10) 12 Hazard about a sovereign (8) 13 Snatches a drink—dearest in the ship (8) 14 To value a paper is unusual (8) 15 Leave due (6) 16 The meal's about gone (6) 17 Under a quarter lock, causing worry (6) Solution to Puzzle No. 5,958 DOWN 1 Women have many odd ideas! (8) 2 The head girl added relish (6)

APPOINTMENTS

Managing director of Courtaulds plastics

COURTAULDS has appointed Mr Michael Fragalet to be managing director of its national plastics group. He moves from the international paint division where he has been board director responsible for the company's industrial paints business worldwide.

Mr Bill Webb has been appointed marketing director of retail design by FITCH & CO. DESIGN CONSULTANTS. He joins from Richard Shopp, a subsidiary of Habitat Modere, where he has been marketing and development director. His appointment follows the promotion of Mr Russ Custance to group marketing director.

Following the acquisition of Bishopsgate Insurance, AMEV has appointed Mr Peter Howell to the board of AMEV (UK), the holding company for the group's UK interests in insurance and financial services. Mr Howell, Mr Pim Nannings and Mr Jan Scherphuis have joined the board of Bishopsgate Insurance, where Mr Peter Leighton and Mr Peter Robinson continue as chairman and chief executive respectively.

BRADGATE TEXTILES has set up a subsidiary company, BTC, Mr Edward Morgan, Bradgate's managing director, will become M.D. of the new company and assume the title of chief executive — Bradgate Textiles. His position as managing director of Bradgate Textiles is filled by Mr David Smallwood (formerly sales and marketing director).

Mr F. W. Wood has been appointed company secretary of COSALT from March 1. He was with the retirement of Mr R. E. Meaton.

SWAN HOUSEWARES has appointed Mr Garth Woodbridge as sales and marketing director from March 1. He was with the parent company, BSR.

Y. J. LOVELL (HOLDINGS) has appointed Mr James G. Leung as deputy chairman. In addition to his responsibilities as group financial director.

PHICOM has appointed Mr R. Gleeson as managing director of Imhor-Bedco Standard Products.

FT UNIT TRUST INFORMATION SERVICE

Table listing various unit trusts and their performance. Columns include: Name of Unit Trust, Manager, and Performance Data (likely returns or charges). The table is organized into sections like 'Authorised Unit Trusts' and 'Legal & General (Unit Tr. Mgrs.) Ltd'. It contains a large volume of data points for numerous different trusts.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various financial products, including unit trusts and insurance policies, with columns for company names, product names, and numerical values.

Handwritten note: 'Jelli not ID'

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INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds, including entries like Sun Life of Canada, Sun Life of India, and various international investment funds.

Table of insurance and overseas funds, including entries like Sun Life of Canada, Sun Life of India, and various international investment funds.

Table of insurance and overseas funds, including entries like Sun Life of Canada, Sun Life of India, and various international investment funds.

Table of money funds and bank accounts, including entries like Money Market Trust Funds, Money Market Bank Accounts, and various international investment funds.

OFFSHORE AND OVERSEAS

TRADITIONAL OPTIONS

Table of traditional options, including entries like 3-month call rates, 6-month call rates, and various financial instruments.

Vertical text on the left margin, including 'IFAX' and 'NG IT'.

COMMODITIES AND AGRICULTURE

Brazilian gold surge forecast

BY RICHARD FOSTER IN BRASLIA

FOREIGN MINING companies who originally came to Brazil looking for base metals have shifted their attention to gold and will invest more than \$600m by the end of 1988 in gold mining projects. The result should be a rapid increase in the country's gold production from hard rock and open pit mines, possibly to 30 tonnes by 1991 compared to eight tonnes last year.

Amazonian gold rush may be coming to an end. Until a few years ago in Brazil industrialised gold mining were synonymous with Minas Gerais, Rio de Janeiro and Bahia, expected to produce 2.5 tonnes annually by 1991. Gencor, the South African company, has invested \$130m in a mine in Sao Bento. Minas Gerais expected to begin producing 1.5 tonnes a year at the end of 1988.



The manual mining of alluvial deposits in the Amazon, particularly following the discovery of the Serra Pelada mine in 1979, has accounted for the bulk of gold production to recent years. In 1984 half of production came from the mining of river bed deposits in the Amazon where several hundred thousand itinerant miners continue to exploit surface gold with picks and shovels. But there have been no new major alluvial finds over the past five years suggesting to geologists that the

Minas Gerais, the region which dominated world gold supply 200 years ago. Other foreign mining companies were more interested in looking for base metals. Now that situation has changed. According to one Rio de Janeiro mining consultant who came to Brazil with Venezuela 16 years ago, "there were more drills holes put down for gold last year than in the past 10 years combined."

Ivory Coast bombshell for cocoa pact

BY WILLIAM DUFFORCE IN GENEVA

THE IVORY COAST, the world's biggest cocoa producer, announced yesterday that it would not join a new International Cocoa Agreement, thereby severely reducing the chances of a new price-supporting accord to replace the one which expires at the end of September.

without the participation of the Ivory Coast. The Ghanaian delegate intervened immediately after the statement by the Ivory Coast minister to warn that "the livelihood and social stability of millions of people" would be affected, if the conference failed to reach a new price-supporting agreement.

"We have reached the moment of truth," Mr Denis Bra Kannon, the Ivory Coast minister of agriculture, told the United Nations Cocoa Conference in a highly emotional speech. "We are all subject to the arbitrary decisions of the exchanges in New York, Chicago, London and Paris. Nobody can guarantee us a minimum price for cocoa."

Mr Richard Thomas, of Britain, the consumers' spokesman, said he hoped the dialogue could continue with the Ivory Coast. The consuming countries had been looking for a viable and effective agreement, he pointed out.

EEC Ministers close to starch scheme deal

By Ivo Dawany in Brussels

EEC FARM Ministers have come close to agreement on new regulations on the subsidised production of starch available to the chemical industry, though Belgian reservations remain. Production aids for the next three years are expected to remain at the current level of 100 million ECU per tonne for selected list of starch end uses. Thereafter, the Commission is required to come forward with a new proposal on the aids.

Tin rescue plan remains in balance

BY ANDREW GOWERS

THE RESCUE plan for the tin market agreed in draft at the weekend remains in the balance today, with EEC countries continuing discussions aimed at resolving differences over financial and other aspects of the package. The deputy permanent representatives of Community countries met in Brussels yesterday to discuss the proposal, under which a new company—now named TinCo—would be set up to manage the sale of tin from the International Tin Council's 85,000 tonnes of stocks over about three years.

LONDON MARKETS

COCOA PRICES continued to slide on the London futures market yesterday as hopes for the successful renegotiation of the price-supporting International Cocoa Agreement at the current Geneva meeting receded further with the Ivory Coast's announcement that it would not join a new pact. The May position on the London futures market ended 229 down at a fresh 27-month low of £1,548.50 a tonne with extra downward pressure coming from chart-inspired speculative selling and selling against recent producer sales, plus the influence of an upturn in sterling. Coffee values regained Tuesday's fall early on and made further ground with the May position rising 23.699 a tonne at one stage. But most of the gain was lost later and May coffee ended only 521 up on the day.

INDICES FINANCIAL TIMES

Feb. 26 Feb. 25 24th Ago Year Ago (Base: July 1 1982=100)
3001.41 2961.41
DOW JONES
Feb. 26 Feb. 25 24th Ago Year Ago
135,981.14 135,981.14
MAIN PRICE CHANGES
Feb. 26 +/- or Month 1986 +/- ago

US MARKETS

PRECIOUS METALS declined sharply in response to the rumours by Mr Volcker, the Federal Reserve chairman, indicating some desire for stabilising foreign exchange rates, reports Herald Commodities. Copper and Aluminium lost ground in sympathy with weakness to precious metals values and an arbitrage selling. Sugar weakened reflecting larger than expected authorisations at the EEC shipping tender. Cocoa traded sharply lower on good producer selling and on the news that the Ivory Coast was unwilling to join the International Cocoa Agreement. Profit-taking kept pressure on coffee values as fresh news over Brazilian export policy remained lacking. Cotton traded mixed with old crop under pressure from light producer selling.

NEW YORK

ALUMINIUM 40,000 lb. cents/lb
Feb. 26 Feb. 25 24th Ago Year Ago
54.55 54.55 54.55 54.55
COPPER 25,000 lb. cents/lb
Feb. 26 Feb. 25 24th Ago Year Ago
64.05 64.05 64.05 64.05
SOYABEAN MEAL 100 tons \$/ton
Feb. 26 Feb. 25 24th Ago Year Ago
128.25 128.25 128.25 128.25

CHICAGO

LIVE CATTLE 40,000 lb. cents/lb
Feb. 26 Feb. 25 24th Ago Year Ago
107.07 107.07 107.07 107.07
LIVE HOGS 30,000 lb. cents/lb
Feb. 26 Feb. 25 24th Ago Year Ago
38.37 38.37 38.37 38.37
CATTLE 500 lb. bushel
Feb. 26 Feb. 25 24th Ago Year Ago
42.87 42.87 42.87 42.87

COCAO PRICES

Free Market: 1228/24 +10 \$1100/198
Cocoa Feb. 26 Feb. 25 24th Ago Year Ago
1228/24 +10 \$1100/198
1228/24 +10 \$1100/198
1228/24 +10 \$1100/198

ALUMINIUM

Unofficial +/- or High/Low
2 per month
Cash 797.5 +/- 8.5
3 months 794.5 +/- 7.25 791.75

COPPER

Unofficial +/- or High/Low
2 per month
Cash 935.5 +/- 5.75
3 months 930.5 +/- 5.25 927.25

LEAD

Unofficial +/- or High/Low
2 per month
Cash 349.50 +/- 3.27
3 months 345.50 +/- 2.75 342.25

NICKEL

Unofficial +/- or High/Low
2 per month
Cash 1268.75 +/- 12.5
3 months 1263.75 +/- 12.5 1261.25

ZINC

Unofficial +/- or High/Low
2 per month
Cash 415.6 +/- 3.5
3 months 412.7 +/- 3.5 409.2

SILVER

Bullion +/- or High/Low
2 per month
Cash 324.6 +/- 3.27
3 months 321.6 +/- 2.75 318.35

MEAT

Beef prices closed untraded but slightly higher on pigmeat prices rising on fresh and speculative buying despite good selling interest in the market. Reports Eastern Capital CGST.

CRUDE OIL

Crude oil prices closed untraded but slightly higher on pigmeat prices rising on fresh and speculative buying despite good selling interest in the market. Reports Eastern Capital CGST.

SOYABEAN

Unofficial +/- or High/Low
2 per month
Cash 128.25 +/- 12.5
3 months 125.25 +/- 12.5 122.75

WHEAT

Unofficial +/- or High/Low
2 per month
Cash 128.25 +/- 12.5
3 months 125.25 +/- 12.5 122.75

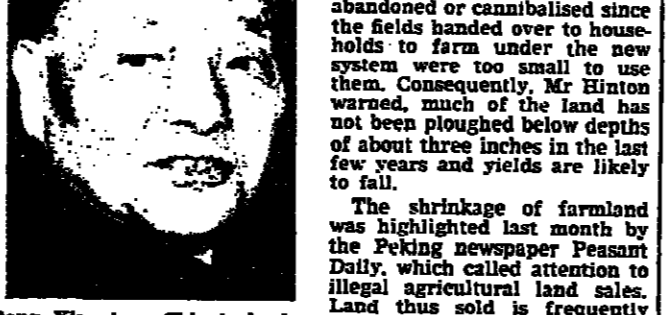
BARLEY

Unofficial +/- or High/Low
2 per month
Cash 128.25 +/- 12.5
3 months 125.25 +/- 12.5 122.75

China's faltering grain drive

CHINA'S LEADERS have launched a drive to reverse last year's decline in grain output which has caused them grower anxiety. Officials have admitted that last year's grain harvest fell 500,000 tonnes below the official year-end figure of 380m tonnes.

grain on the free market. But this may only solve part of the problem. The land itself needs better care, with more long-term investment in better irrigation and farm machinery.



Deng Xiaoping: China's leader

The Chinese press has recently emphasised that these are now essential. Peking hopes to make up last year's grain fall and has set a 1990 target of 40m tonnes, which will need regular annual increases. With today's fragmented land holdings, however, the improvements will be difficult to apply.

The household responsibility system instituted by Mr Deng has virtually given each family a small plot, polished collective mechanisation and pooling of labour, and indirectly encouraged the use of land for purposes other than agriculture by raising rural industry. This makes it difficult to mobilise the labour and investment needed for village or county-wide land improvement or shared mechanisation schemes. Last month the party journal Red Flag noted serious declines in the area irrigated since the reform policy was applied in 1981, owing to neglect and deliberate damage. Some 100,000 motor pump wells had been abandoned as useless, it said.

The shrinkage of farmland was highlighted last month by the Peking newspaper Peasant Daily, which called attention to illegal agricultural land sales. Land sold is frequently used for building, brickmaking or family graves. Though land sales are not permitted, it is now easy to bribe local officials. "Some leading cadres are involved," said the Peasant Daily. "Some individuals have taken advantage and inserted their pockets. Peking's solutions for the grain problem were recently outlined in the press. But the larger quantities of fertiliser and future amalgamation of smallholdings into larger farms which it advocated may simply prove inadequate. "China already uses huge quantities of nitrogen fertiliser, so much so that it causes 'lodging' (weakened plants battered by bad weather)," said Mr Hinton. "And if farms are amalgamated, the fields will probably be scattered so that standard-sized tractors still can't be used."

Advertisement for 'Jellinolio' featuring a stylized logo and text.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Volcker speech hits dollar

The dollar fell sharply after Mr Paul Volcker, chairman of the US Federal Reserve Board, told a Congressional committee he had no substantial difference of opinion with Mr James Baker, US Treasury Secretary, about the dollar.

Mr Baker has welcomed a further fall in the currency came under immediate selling pressure. Until then trading had been subdued, fearing Mr Volcker would lead to his warnings of last week, about the consequences of a falling currency.

The dollar fell to its lowest closing level since early December 1981 in London, at DM 2.2275 compared with DM 2.2440 on Tuesday. It also declined to SF 1.9700 from SF 1.9850, the lowest since March 1982; and to FF 6.8525 from FF 6.9075, the lowest since March 1983.

STERLING - Trading range against the dollar in 1985-86 is 1.4950 to 1.5225. Exchange rate index fell 1.4236. Exchange rate index fell

IN NEW YORK

made his comment about having no substantial difference of opinion with Mr James Baker about the dollar. This pushed the US currency down to DM 2.2450 at the Frankfurt close, compared with DM 2.2555 on Tuesday. In after hours trading the dollar fell below DM 2.23. Earlier in the day the Bundesbank did not intervene when the dollar was fixed at DM 2.2435, compared with DM 2.2550. Yesterday's fixing was the lowest since January 4 1982.

JAPANESE YEN - Trading range against the dollar in 1985-86 is 267.15 to 278.25. Exchange rate index fell 1.8329 against 1.8450 six months ago. The yen lost ground to the dollar in Tokyo yesterday. Although the US currency finished at the day's low of ¥151.15 it was above the previous close of ¥150.80. Trading was in a narrow range, reflecting the view that the Japanese authorities wish to keep the dollar within a range of ¥150 to ¥155 at present, and may intervene if the dollar falls outside this range.

MARK - Trading range against the dollar in 1985-86 is 3.4510 to 2.2275. Exchange rate index fell 1.4236 against 1.4750 six months ago. The D-mark rose against the dollar in late Frankfurt trading, reacting to the speech by Mr Paul Volcker. Trading had been rather quiet until Mr Volcker

FINANCIAL FUTURES

Gilts strong

Gilt prices rose sharply in the London International Financial Futures Exchange yesterday, reflecting continued bullishness. Prices had been marked down at the start of trading following an overnight market storm in US bonds and sterling's weaker start. However demand soon emerged at the lower levels with sterling recovering from its lowest level, so gilt prices continued to improve. The March contract opened at 113.31 down from 114.05 and touched a low of 113.29 before rising to finish at the day's high of 114.06.

US Treasury bonds resumed their upward path after Tuesday's brief consolidation. The market had been anxious ahead of Mr Volcker's statement to the house budget committee and prices were a little erratic following his comments that the dollar's decline left little room for a cut in US interest rates. However, the market did not accept a technical setback and demand returned to push values still firmer. In addition Mr Volcker's comments about a favourable outlook for production and economic growth also served to underpin prices. The March US Treasury bond opened at 91.07 down from 91.05 and closed at 91.04 before closing firmer at 91.21.

Three-month sterling prices showed little overall change in relatively quiet trading. Interest tended to centre on longer-term instruments. Euro-dollar prices were similarly affected with a completely flat yield curve in the cash market giving little grounds for inspiration. The June contract traded in a five point range from an opening of 92.19 and closed at 92.20 compared with 92.23 on Tuesday.

Three-month sterling for June delivery opened at 88.90 and business was confined to a 10 point range. It closed at 88.87 compared with 88.94 previously.

OTHER CURRENCIES

Table with columns for currency, bank, and rate. Includes entries for Arg/Brazil, Australia, Canada, Denmark, Deutsche mark, French franc, Italian Lira, Japanese Yen, etc.

CURRENCY RATES

Table with columns for currency, bank, and rate. Includes entries for Sterling, US dollar, Swiss franc, etc.

STERLING INDEX

Table with columns for month, index value, and change. Includes entries for Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns for currency, unit, and rate. Includes entries for Belgium, France, Germany, Italy, etc.

FT LONDON INTERNATIONAL FIXING

Table with columns for currency, bank, and rate. Includes entries for Sterling, US dollar, etc.

LONDON MONEY RATES

Table with columns for currency, bank, and rate. Includes entries for Interbank, Local Authority, etc.

POUND SPOT—FORWARD AGAINST POUND

Table with columns for date, day's spread, close, one month, three months, six months. Includes entries for US, Canada, etc.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table with columns for date, day's spread, close, one month, three months, six months. Includes entries for UK, Canada, etc.

EXCHANGE CROSS RATES

Table with columns for currency, bank, and rate. Includes entries for DM, SF, FF, etc.

EURO-CURRENCY INTEREST RATES

Table with columns for currency, term, and rate. Includes entries for Sterling, US dollar, etc.

MONEY MARKETS

UK rates slightly firmer

Interest rates were slightly firmer where changed yesterday. Sterling was a little weaker overall despite a further sharp decline in the dollar. In addition the timing of a cut in clearing bank base rates was causing a good deal of uncertainty with sterling's recent volatility and fluctuating oil prices combining to make the prospects of an early cut less likely. While showing only a moderate change in relation to the dollar, sterling was trading at a record low against the D-mark.

NEW YORK RATES

Table with columns for currency, bank, and rate. Includes entries for Frankfurt, Paris, etc.

MONEY RATES

Table with columns for currency, bank, and rate. Includes entries for Frankfurt, Paris, etc.

LONDON

Table with columns for date, close, high, low, prev. Includes entries for 20-year 12% national gilt, etc.

CHICAGO

Table with columns for date, close, high, low, prev. Includes entries for US Treasury bonds, etc.

THREE-MONTH EURO-DOLLAR

Table with columns for date, close, high, low, prev. Includes entries for March, April, etc.

LIFFE-EURO-DOLLAR OPTIONS

Table with columns for date, call, put, and rate. Includes entries for March, April, etc.

PHILADELPHIA SE/E/S OPTIONS

Table with columns for date, call, put, and rate. Includes entries for March, April, etc.

DEUTSCHE MARKS

Table with columns for date, call, put, and rate. Includes entries for March, April, etc.

STERLING INDEX

Table with columns for month, index value, and change. Includes entries for Feb, Mar, Apr, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns for currency, unit, and rate. Includes entries for Belgium, France, Germany, etc.

FT LONDON INTERNATIONAL FIXING

Table with columns for currency, bank, and rate. Includes entries for Sterling, US dollar, etc.

LONDON MONEY RATES

Table with columns for currency, bank, and rate. Includes entries for Interbank, Local Authority, etc.

Company Notices

& National Westminster Bank PLC. Issue of U.S. \$ 500,000,000 PRIMARY CAPITAL FRNs (Series "C").

ESCOM Electricity Supply Commission. ECU 50,000,000 Floating Rate Notes due 1990.

LEUMI INTERNATIONAL INVESTMENTS N.V. U.S. \$20,000,000 GUARANTEED FLOATING RATE NOTES 1987.

Art Galleries. COLNAGHI, 14, Old Bond St. W1. 01-491 7408.

Conferences. CARIBBEAN - High level economic and political CARICOM conference.

Clubs. EVE has outlined the others because of a policy of fair play and value for money.

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FT FINANCIAL TIMES CONFERENCES. Technology and the New Securities Markets. London, 7 & 8 April 1986.

Handwritten note: "Handwritten text at the top of the page, possibly a signature or date." (Note: The text is illegible due to blurriness)

INDUSTRIALS - Continued

Table of stock prices for various industrial companies, including columns for company name, price, and change.

LEISURE - Continued

Table of stock prices for various leisure and entertainment companies.

PROPERTY - Continued

Table of stock prices for various real estate and property companies.

INVESTMENT TRUSTS - Cont.

Table of stock prices for various investment trusts.

FINANCE, LAND - Cont.

Table of stock prices for various financial and land-related companies.

MINES - Continued

Table of stock prices for various mining companies.

OVERSEAS TRADERS

Table of stock prices for various overseas trading companies.

INSURANCE

Table of stock prices for various insurance companies.

PAPER, PRINTING, ADVERTISING

Table of stock prices for various paper, printing, and advertising companies.

SHOES AND LEATHER

Table of stock prices for various shoe and leather companies.

SOUTH AFRICANS

Table of stock prices for various South African companies.

TEXTILES

Table of stock prices for various textile companies.

TOBACCO

Table of stock prices for various tobacco companies.

TRUSTS, FINANCE, LAND

Table of stock prices for various trusts, finance, and land companies.

LEISURE

Table of stock prices for various leisure companies.

PROPERTY

Table of stock prices for various property companies.

INVESTMENT TRUSTS

Table of stock prices for various investment trusts.

FINANCE, LAND, etc.

Table of stock prices for various finance, land, and other companies.

MINES

Table of stock prices for various mining companies.

Central Rand

Table of stock prices for various Central Rand mining companies.

Eastern Rand

Table of stock prices for various Eastern Rand mining companies.

Regional & Irish Stocks, Far West Rand, and other market-related information.

LONDON STOCK EXCHANGE

MARKET REPORT

Equities and bonds resume advance after cautious start

Account Dealing Dates Option
*First Declara- Last Account
Dealing Date Dealing Day

Lower opening prices for both leading shares and Government
bonds attracted revised dealers
shortly after business com-
menced and the effects on senti-
ment were immediate. Early
caution quickly evaporated and
a range of first-time stocks
remained early falls to move into
higher ground. The scene was
repeated in the Gilt-edged sector.

Currency considerations—the
pound performed less strongly
against the dollar—prompted
renewed buying of international
and secondary industrials with
overseas earning potential. Stock
trading was dominated by the
albeit not on the scale seen on
Monday, and after the mid-
morning announcement of last
month's trade figures the tone
was especially firm. The surplus
on current account for January
was £1.14bn.

Institutional investors went to
ground before midday, however,
and business slowed to a trickle.
Throughout the afternoon most
inquiries received by brokers
were orders from small private
clients. The market looked set
to end on a subdued note but
picked up again late, helped
by news of a strong early
trend on Wall Street. Eventually
the FT-SE 100 share index
achieved another peak level to
close 6.8 up at 1554.4 after being
8.9 down at 9.36 am.

Sterling/dollar influences were
blamed for the initial dullness
in Government securities, which
marked prices down but the
move encouraged investors to
commit fresh funds. These
were directed towards medium
life stocks where yields of over
10 per cent still obtain. Selected
maturities finally achieved rises
stretching to 1 but longer-dated
Giltis, because of generally
single-figure returns, were more
subdued.

ICI fluctuated narrowly await-
ing today's preliminary figures
and settled a shade dearer at
907p. Among other Chemicals,
Yorkshire responded to the
good annual figures with gain
of 17 at 104p, but profit-taking left
the stock, Conversion 81 per
cent 2005 "A" is to be made
available to the market this
morning. Short Giltis were
neglected in absence of any
further easing in period money
market rates.

Royals advanced 13 more to
57p as investors continued to
take an optimistic view in front
of today's preliminary results.
Other Composites also made
good progress with improve-
ments of 12 and 17 respectively
recorded in Sun Alliance, 625p,
and General Accident, 825p.
Commercial Union improved 5
fresh at 252p. Elsewhere, Lloyds
issues drew further strength
from a couple of brokers' recom-
mendations. Legal and General
added 13 at 47p and Prudential
appreciated 15 to 101p.

Comment on the Mexican debt
situation deterred any fresh
support for the major clearing
banks. Lloyds, scheduled to
start the dividend season tomor-
row, closed 4 at 477p. NatWest
softened a few pence at
685p, as did Midland, at 468p.
Barelays offered a penny to
467p. Scottish banks, however,
came in for some late buying
and Bank of Scotland closed 6
better at 385p, after 375p, while
Royal Bank of Scotland hardened
a couple of pence at 252p. The
prospects of cheaper money
pushed Discount Houses higher.
King and Saxson added 8 at
156p and Gerrard and National
added 7 at 332p. Among Hills
Purchases, Woodchester, in
which Gartmore Information and
Financial Trust holds a 7 per
cent stake, advanced 15 to 150p.

Leading Breweries made
modest progress in relatively
subdued trading. Bass advanced
10 to 635p, while Whitbread 4
added 3 more to 259p.
Whitely, a nervous market since
its agreed counter-bid for
Dunlop was launched earlier
this month, fell 1p to 165p.
Regionals highlighted Llanelli-
based Buckley's which attracted
fresh speculative interest and
rose 9 to 78p. Places, Alfred
controlled by Mr Nazru Virani,
holds around 8 per cent of the
equity.

Circle recovered from
Tuesday's bout of profit-taking
to close 10 higher at 936p, but
other leading Buildings settled
a shade cheaper. Allied
McAlpine, however, continued to
draw strength for the good
annual results and moved up a
couple of pence to 165p.
BAX Group, a couple of pence better on Tues-
day, reflecting the company's
decision to withdraw from the
Houston property development
joint venture, advanced 1p to
100p, following several
brokers' recommendations.

Engineers passed a relatively
quiet session. Among the note-
worthy movers, Leyland firm's
responed to further support with
a fresh gain of 8 at 306p. C and
Walker, reflecting the success of
the rights issue, rose 4 to 42p,
while the encouraging 1985 results
of the chairman's annual statement
left Camford 2 firmer at 64p.
McKee's rose 7 to 231p await-
ing today's preliminary figures
and settled a shade dearer at
907p. Among other Chemicals,
Yorkshire responded to the
good annual figures with gain
of 17 at 104p, but profit-taking left
the stock, Conversion 81 per
cent 2005 "A" is to be made
available to the market this
morning. Short Giltis were
neglected in absence of any
further easing in period money
market rates.

Investors returned for selected
leading retailers. Sainsbury's
a good speculative demand amid
revised takeover gossip and
reached 125p at one stage before
closing 3 1/2 better on balance
at 124p. Burton moved up 4 to
370p with the help of Press com-
ment. Dixons put up to 800p, as
did Gales "A", to 930p. Ben-
talls were outstanding among
secondary stocks, rising 8 to
162p on news of the proposed
redevelopment of its Kingston
store site. Speculative buying
while 75p to 101p, while Stead and Simons re-
sponded to further Press com-
ment with a gain of 6 at 94p.
STC, still reflecting BTR bid
hopes, advanced afresh to 122p.

prompted a fall of 17 to 587p
in Avana. British Vending Indus-
tries added a penny to 37p fol-
lowing the good annual results.
Among Retailers, recently over-
looked J. Sainsbury's revived
strongly and rose 12 to 392p,
while Kwik Save advanced 16 to
252p. Dec Corporation edged up
3 to 266p and Tesco hardened
2 to 345p, while William Morris
added 4 more to 178p. Near-
ly all the major firms in the
retailer group advanced, with
over 20 up and 10 down.
Grand Metropolitan continued
to trade firmly and closed 12
higher at the day's best of 417p,
while the encouraging 1985 results
of the chairman's annual statement
left Camford 2 firmer at 64p.
McKee's rose 7 to 231p await-
ing today's preliminary figures
and settled a shade dearer at
907p. Among other Chemicals,
Yorkshire responded to the
good annual figures with gain
of 17 at 104p, but profit-taking left
the stock, Conversion 81 per
cent 2005 "A" is to be made
available to the market this
morning. Short Giltis were
neglected in absence of any
further easing in period money
market rates.

Granada opened lower at
around 268p on news that Rank
Organisation's bid had been
blocked by the IBA, but subse-
quently rallied to 272p before
settling at 268p for a fall of 20
pence. The day's Bank of England
improved 5 to 525p. Riddle, still
responding to news of the bid
approach, advanced afresh to
185p, up 20, after 205p, for a
net gain of 15p. British Rail,
reflecting hopes of a bid from
Dawson International, advanced
40 more to 530p, but profit taking
following the preliminary figures
of the chairman's annual state-
ment left BTR 15 lower at
205p. Renewed speculative
demand prompted a rise of 10
to 180p in Beascom. Clark, but
takeover favourite Christmas In-
ternational ran back 7 to 356p
on profit-taking. Dealings resumed
in Havelock Europa at 230p com-
pared with suspension price of
215p following details of the
takeover with Store Design.
Elec responded to the half-year

FINANCIAL TIMES STOCK INDICES
Table with columns: Index, Feb 26, Feb 25, Feb 24, Feb 23, Feb 22, Feb 21, Feb 20, Feb 19, Feb 18, Feb 17, Feb 16, Feb 15, Feb 14, Feb 13, Feb 12, Feb 11, Feb 10, Feb 9, Feb 8, Feb 7, Feb 6, Feb 5, Feb 4, Feb 3, Feb 2, Feb 1, 1985, 1984, 1983, 1982, 1981, 1980, 1979, 1978, 1977, 1976, 1975, 1974, 1973, 1972, 1971, 1970, 1969, 1968, 1967, 1966, 1965, 1964, 1963, 1962, 1961, 1960, 1959, 1958, 1957, 1956, 1955, 1954, 1953, 1952, 1951, 1950, 1949, 1948, 1947, 1946, 1945, 1944, 1943, 1942, 1941, 1940, 1939, 1938, 1937, 1936, 1935, 1934, 1933, 1932, 1931, 1930, 1929, 1928, 1927, 1926, 1925, 1924, 1923, 1922, 1921, 1920, 1919, 1918, 1917, 1916, 1915, 1914, 1913, 1912, 1911, 1910, 1909, 1908, 1907, 1906, 1905, 1904, 1903, 1902, 1901, 1900, 1899, 1898, 1897, 1896, 1895, 1894, 1893, 1892, 1891, 1890, 1889, 1888, 1887, 1886, 1885, 1884, 1883, 1882, 1881, 1880, 1879, 1878, 1877, 1876, 1875, 1874, 1873, 1872, 1871, 1870, 1869, 1868, 1867, 1866, 1865, 1864, 1863, 1862, 1861, 1860, 1859, 1858, 1857, 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WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australia, Japan, Canada, and various indices. Includes columns for country, stock name, price, and change.

Table of Canadian stock markets including Toronto and Montreal closing prices for February 26. Lists various stocks and their prices.

Table of stock indices for various countries including Australia, Austria, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, Netherlands, New York, Singapore, South Africa, and Switzerland.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of over-the-counter stock prices from the Nasdaq national market, listing various stocks and their closing prices.

Table of NYSE Composite Closing Prices for 12 months, listing various stocks and their closing prices.

Table of Chief Price Changes in London, listing various stocks and their price changes.

Advertisement for 'Some business travellers will change neither hotel nor newspaper' featuring the Financial Times and listing various hotels in Nice.

Table of NYSE Composite Closing Prices for 12 months, continuing from the previous table.

Advertisement for 'WORLD STOCK MARKETS' and 'US DOLLAR THE WORLD VALUE' with a graphic of a globe and the text 'CHECK EVERY DAY IN THE FT'.

NYSE COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, High, Low, Last, and Change. Includes sub-sections for 'Continued from Page 38' and 'Continued on Page 37'.

AMEX COMPOSITE CLOSING PRICES

Table of AMEX Composite Closing Prices. Columns include Stock, High, Low, Last, and Change. Includes sub-sections for 'Continued from Page 38' and 'Continued on Page 37'.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter (Nasdaq) Closing Prices. Columns include Stock, High, Low, Last, and Change. Includes sub-sections for 'Continued from Page 38' and 'Continued on Page 37'.

FINANCIAL TIMES

WORLD STOCK MARKETS

WALL STREET

Heartened by optimism on inflation

OPTIMISTIC comments on inflation from Mr Paul Volcker, the chairman of the Federal Reserve, brought strong gains in federal bonds yesterday but found a more cautious response in the stock market, writes Terry Byland in New York.

The Dow 1,700 mark was pierced twice, but gains in the blue chips were fading at the close, and the Dow ended just short of its most recent peak.

In heavy trading, the stock market traced an erratic course, losing an early gain of 10 Dow points and then moving up again late in the day. The Dow Jones industrial average closed a net 4.24 points up at 1,696.90. Turnover remained high, bringing an NYSE shares total of 158.5m.

Firmness in oil industry stocks again lifted the American Stock Exchange index to a new peak, with stocks in Phillips Petroleum heading the active list. Bond prices bounced up 1/2 point when the Fed made a further 1.5bn in customer repurchases, the third successive daily help to liquidity, but gains were soon cut back, reflecting the market's doubts that the Fed's moves reflect any easing in policy.

"The Fed's actions have all the marks of a response to a technical problem," Dr William Griggs of Griggs & Santow, the credit market specialists, said. "If the Fed wanted to give us a message, it could have skipped (last week's) matched sales, or made system repurchases."

The stock market bounced higher with the credit sector but quickly lost impetus. The underlying tone remained confident, but with a correction bout widely expected, investors were nervous and backed off when the market turned down.

Major market indices were again boosted by strong gains in Union Carbide stocks. The when-issued Carbide stock, which will benefit from a dividend based on the price obtained for the consumer divisions, again featured in the NYSE active stocks list. The stock gained 4% to \$97 on reports that there is no shortage of potential buyers for the divisions on the selling block.

A block of 1m shares boosted turnover in Eastern Air Lines, 5% up at \$89, although there was only a cautious response to hints of a rival bid for the troubled airline. Other airline stocks steadied as Wall Street waited for further progress on the planned merger of Texas Air and Eastern.

United edged up 1 1/4% to \$57 and American 3% to \$50. Pan Am remained a dull spot, shedding 3/4% to 57 1/2 in thin trading.

The steadier trend in the oil futures markets continued to buoy major oil stocks. Exxon shed 3/4% to \$54, Phillips added 5% to \$104 and Chevron 5% to \$38. Heavy trading left Texaco 5% better at \$304 while Pennzoil at \$567 eased a fur-

ther 5% as Wall Street waited for the outcome of the \$11.1bn penalty payment case against Texaco.

IBM held on to a gain of 1 1/4% at \$158, but the rest of the technology sector looked mixed. Digital Equipment, up 1 1/4% at \$188, and Burroughs, up 3/4% at \$704, provided firm spots.

Car stocks looked mixed behind the latest industry sales figures and further customer financing moves. General Motors showed no change at \$78, but Ford added 1 1/4% to \$704 and Chrysler 3/4% to \$56.

Except for Union Carbide, chemical stocks continued to weaken as oil prices turned steadier. Du Pont was hard hit again, falling 1 1/4% to \$69, and Dow lost another 3/4% to \$48.

Among foods General Mills jumped 3 1/4% to \$66, responding both to a dividend increase and the adoption of anti-takeover measures. Collins Food, however, turned down after the trading figures, shedding 5% to \$13.

In the credit markets federal funds moved above 8 per cent for the first time for some while, despite the Fed's help to liquidity, given when funds stood at 7 1/4 per cent. Other short-term rates moved lower after a firm start.

Bond prices settled down with gains of 1/2 point once the brief stir caused by the Fed's customer repurchases had died away.

EUROPE

Dollar rate bites into confidence

THE LOWER dollar continued to bite into investor confidence on the European bourses yesterday although a steady stream of corporate news offered some diversion.

Frankfurt remained firmly in the bear trap despite early attempts to stage a technical rally. That effort failed, and the Commerzbank index lost its grip on the 1,900 level with a mid-session fall of 16.2 to 1,893.7.

The noon slide of the dollar to DM 2.2438 heralded a sell-off as many export-sensitive stocks, primarily car makers, suffered some brisk mark-downs.

BMW finished DM 34 lower at DM 506 while Daimler-Benz, which led the market lower on Tuesday, retreated a further DM 22 to DM 1,188. VW lost DM 4.50 to DM 510.50 despite a solid profits performance at its Audi subsidiary. Porsche, long a hostage to exchange rates, slipped only DM 1 to DM 1,160.

A 3.6 per cent slip in group sales for KHD took the machine maker DM 16.50 lower to DM 296 while Linde was marked DM 13 down to DM 593.

Siemens surrendered DM 1 to DM 704.50 on the news that its power plant building subsidiary maintained profit levels last year, but turnover in 1985-86 is expected to slump.

The rising bullion price enabled precious metals refiner Degussa to hold steady at DM 445 while building group Holzmann added DM 19 to DM 504 after announcing that group revenue had slipped 10 per cent last year but that its US operations remained buoyant.

The rest of the stores sector followed a firmer Horten, which added DM 10 to DM 246 while Kaufhof recovered DM 6 to DM 427.

Bond prices failed to respond to remarks by Mr Gerhard Stoltenberg, the Finance Minister, that he wanted further falls in interest rates. Losses amounted to 30 basis points among longs. The Bundesbank market balancing operation amounted to purchases of DM 23.6m compared with Tuesday's hefty sales of DM 113.8m.

Moderate trading in Brussels left sentiment easier. Utilities and electrical holding companies moved lower as interest rate expectations weakened. Hopes of a cut in withholding tax persisted, however.

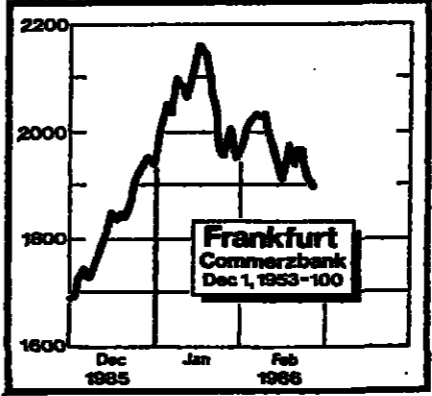
Leading chemical stock Solvay dropped a further BF 330 to BF 7,320 in reaction to its US acquisition. Delhaize was unchanged at BF 9,800 despite news that the stores group was selling a loss-making US food chain and was set-

ting up a new US management venture in deep discount outlets.

A listless start in Amsterdam, partly ascribed to the distracting Eleven Cities ice skating marathon, developed into a brief rally only to fade by the close. KLM was a feature with its 40-cent fall to Ft 55.60 after Tuesday's international equity plans while Phillips met its earlier forecasts of lower profits for the year and was duly awarded a 70-cent rise to Ft 61.10.

Buehrman-Tetterode firmed Ft 5.10 to Ft 156.50, a new high for the year, ahead of a buoyant 1985 earnings statement due later this week.

The softer dollar subdued Zurich. Features were few and far between. Ciba-Geigy picked up Sfr 30 to Sfr 3,900 am-



Frankfurt Commerzbank Dec 1, 1985-100

id plans to take over an Eastman Kodak chemical division while Nestlé beaver dipped Sfr 25 to Sfr 8,550.

Brown Boveri slipped Sfr 20 to Sfr 1,800 in delayed reaction to the sudden resignation of its chief executive.

Milan lost more ground in a technical fall from its recent peaks. Buyers, however, surfaced again in after-bourse trading with some interest on Generali which traded L3,900 higher at L93,000. Montedison slipped L114 to L3,385 as its Standa retailing subsidiary reported lower net profits.

Stockholm advanced in the wake of the Fermenta saga. Pharmacia, suspended on Tuesday jumped SKr 14 to SKr 194, Volvo added SKr 8 to SKr 330 and Gambro was SKr 3 ahead at SKr 94.

Paris was mixed, with Peugeot unchanged at FF 892 despite its profit forecast. Madrid strolled calmly to another peak.

CANADA

ASSISTED by the firmer tone on Wall Street, stocks in Toronto traded higher. Oil shares continued to firm with Dome Petroleum 21 cents higher at C\$2.85 after gaining 14 cents on Tuesday. Husky Oil C\$4 ahead at C\$27, while Imperial Oil class A added C\$1 after jumping C\$1 1/2 the day before.

The easier trend continued in the banking sector, however. Bank of British Columbia lost a further 10 cents to C\$4.20 after suffering a 55 cent fall in the previous session on reports of financial difficulties.

Montreal was also generally firmer.

LONDON

Trade data an uplifting influence

AFTER a cautious start to the session in London, demand revived for both leading shares and government stocks.

Currency considerations prompted renewed buying of international and industrial stocks with overseas earnings potential, and after the mid-morning news of last month's trade figures, the tone was especially firm. The surplus on current account for January was £1.14bn (\$1.7bn).

Institutional investors went to ground before mid-day, and business slowed to a trickle. Afternoon trading was typified by orders from small private investors.

Interest picked up again late in the day, and the FT-SE 100 achieved another peak to close at 1,534.8, up 8.9. The FT Ordinary share index added 6.0 to 1,270.2.

Chief price changes, Page 37; Details, Page 38; Share information service, Pages 34-35

AUSTRALIA

BARGAIN HUNTING among oil and mining issues, which suffered sharp falls on Tuesday, raised prices marginally in Sydney yesterday.

The Government's cut in domestic fuel prices continued to depress BHP, the country's largest quoted company. The group lost 4 cents to A\$6.50.

Santos, the Cooper Basin oil producer, recovered some of its 40-cent loss from the previous session to end 10 cents higher at A\$4.05. Hartogen improved 8 cents to A\$1.70 while Vangas lost 20 cents to A\$2.10 and Moonie Oil 7 cents to A\$2.23.

Companies which specialise in take-overs were unsettled, with Fal Insurance 30 cents off at A\$5.70, Adsteam lower by a similar amount to A\$12.20 and Bell Resources, which is making a partial takeover bid for BHP, unchanged at A\$4.50.

SOUTH AFRICA

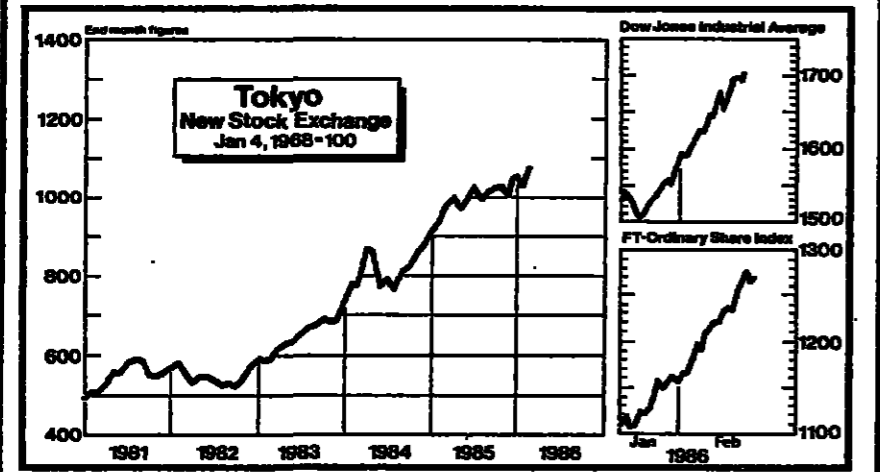
THE EASIER move in Johannesburg yesterday resulted from gold's inability to hold above the \$350 level.

Among blue-chip gold issues Randfontein dropped R2.50 to R254 while Southvaal experienced a decline of the same amount to end at R113.50.

Vaal Reef, one of the market's highest priced stocks, experienced one of the biggest falls on concern over a strike at the mine. It lost R6 to R224.

After recent sharp gains platinum also eased, with Rustenburg off R1 at R30.50 and Impala 35 cents lower at R27.15.

KEY MARKET MONITORS



STOCK MARKET INDICES			
	Feb 26	Previous	Year ago
NEW YORK			
DI Industrials	1,696.59	1,692.66	202.52
DI Transport	781.46	780.39	631.20
DI Utilities	183.73	184.65	148.44
S&P Composite	224.04	223.79	181.17
LONDON			
FT Ord	1,270.2	1,264.2	980.2
FT-SE 100	1,534.8	1,527.7	1,259.5
FT-A All-share	743.92	746.18	608.49
FT-A 500	821.67	818.76	664.57
FT Gold mines	337.0	332.1	468.1
FT-A Long gilt	9.97	10.05	10.89

CURRENCIES			
	Feb 26	Previous	Previous
US DOLLAR			
(London)	2.2438	2.2480	3.15
DM	181.1	181.20	269.5
FFr	6.8825	6.9065	10.2
SFr	1.879	1.8870	2.7975
Quidder	2.5185	2.5400	3.7475
Lira	1,515.5	1,527.5	2,256.75
BP	45.8	46.00	67.85
CS	1.3955	1.3850	2.076

INTEREST RATES			
	Feb 26	Prev	
Euro-currency (3-month offered rate)			
£	12%	12%	
SFr	4%	4%	
DM	4%	4%	
FFr	13%	14%	

US BONDS			
	Feb 26	Yield	Price
8 1988	100 1/2	7.92	100 1/2
8 1993	102 1/2	8.25	102 1/2
8 1996	103 1/2	8.35	103 1/2
8 2016	107 1/2	8.54	107 1/2

TREASURY INDEX			
Maturity (years)	Return index	Day's change	Yield
1-30	143.30	+0.24	8.31
1-10	137.91	+0.19	8.14
1-3	131.07	+0.08	7.94
3-5	139.88	+0.18	8.22
15-30	152.61	+0.85	8.56

FINANCIAL FUTURES			
	Latest	High	Low
CHICAGO			
US Treasury Bonds (CBT)			
8 3/8 32nds of 100%			
Mar	91-27	92-03	91-08
91-08			

COMMODITIES			
	Feb 26	Prev	Year ago
(London)			
Silver (spot fixing)	355.55	405.35	
Copper (cash)	£35.75	£38.00	
Coffee (Mar)	£2,553.50	£2,542.00	
Oil (spot Arabian Light)	n/a	n/a	

GOLD (per ounce)			
	Feb 26	Prev	Year ago
London	\$346.75	\$350.25	
Zürich	\$348.25	\$351.50	
Paris (fixing)	\$348.22	\$354.04	
Luxembourg	n/a	n/a	
New York (April)	\$338.50	\$350.00	

Railways on express path to peaks

BROKERAGE HOUSES and individual investors were active in the Tokyo market yesterday when trading for delivery in March started, and share prices soared to yet another record high, writes Shigeo Nishitani of Jiji Press.

The Nikkei Average rose 45.40 from the previous day to 13,821.70. Volume swelled from Tuesday's 582m shares to 903m, the largest since 1,246.25m shares changed hands on October 1 last year. Gainers outnumbered losers by 457 to 426, with 107 issues unchanged.

Small and medium-capital stocks benefiting from domestic demand expansion, such as railways, were at the top of the shopping list while blue chips fell across a broad front.

The strong market is supported by expectations for institutional investors to begin shifting at the beginning of the month to the stock market funds they have been managing through short-term financial instruments.

A securities house official said that there were signs that institutional investors would step up buying. But their enthusiasm is not strong enough to push up stock prices as far as in early October last year.

On the trading floor Tokyo Gas led the active list with 53.51m shares changing hands, rising ¥5 to ¥343. The issue was sought on the likelihood that the strong yen and lower crude oil prices could improve its earnings position. Furthermore, it was considered a better buy than electric power issues.

Tobu Railway, the second busiest issue with 24.50m shares traded, advanced ¥3 to ¥300 while Odakyu Electric Railway and Tokyu added ¥25 and ¥5 to ¥670 and ¥690, respectively.

Domestic consumer issues were popular. Yamazaki Baking scored a maximum allowable daily gain of ¥109 to ¥1,100 on the strength of its strong business performance. Institutional investors were said to have placed massive buy orders for Yamazaki shares.

Showa Denko, which headed the active list on the previous day, came under heavy profit-taking pressure to close ¥4 lower at ¥253. Large-capital chemicals turned lower, with Mitsui Petrochemical Industries finishing at ¥810, off ¥10.

Blue chips were depressed by small-to selling, triggered by reports that Toshiba's recurring profit in the business year ending on March 31 is expected to plunge 45 per cent from the previous year to around ¥80bn.

After a weak start, bond prices firmed, bolstered by increasing buying by the dealer sections of banks and securities houses. The yield on the benchmark 6.2 per cent government bonds, maturing in July 1995, declined to 5.475 per cent from Tuesday's 5.500 per cent.

HONG KONG

INVESTORS were quiet in Hong Kong ahead of the Government's budget announcement yesterday, and prices ended barely changed.

Blue chips were bought selectively by foreign institutions, but domestic investors were noticeably absent.

Swire Pacific, one of the main targets for buyers, gained 50 cents to HK\$34.25 and Hutchison Whampoa 10 cents to HK\$27.10. Among the losers China Light and Power dropped 10 cents to HK\$16.10 and Hongkong and Shanghai Banking Corporation 5 cents to HK\$7.95.

SINGAPORE

SELLING and profit-taking in Singapore yesterday dragged shares down from their firmer position earlier in the session as concern over the financial position of some broking firms again raised its head.

The Straits Times industrial index, which was 1.16 higher at noon, ended down 2.20 at 828.68.

Singapore Airlines, a popular stock over the last two weeks, turned 10 cents lower at S\$6.70.

DRI DRI Europe, Ltd.

The Oil Price Collapse

A SPECIAL BRIEFING
by DRI Europe Ltd

The European economy is being convulsed by the most momentous change since the first oil shock in 1973. DRI Europe, the world's leading economic consulting and forecasting firm, has, as a possible scenario, undertaken to explore the likelihood and the impact of oil prices falling further to \$10/bbl. A detailed report will be prepared by a task force of specialists, drawn from our Energy, Middle East/Africa and European consulting services. Some of the issues the Special Report will address include:

- European Energy Markets
 - What are the implications of \$10/bbl oil for world demand/supply?
 - What was the immediate cause of the fall in the oil price?
 - How will the prices of substitute fuels respond?
- OPEC
 - How much more will OPEC imports fall?
 - How much will the Gulf States reduce their financial assets?
 - What is the risk of default by Algeria, Egypt, Nigeria, Mexico, etc.?
- European Economies
 - To what extent will cheap oil accelerate/hinder European growth?
 - Which countries will be able to best meet the reconfigured world trade demands?

As well as providing a detailed analysis of these critical issues, the report, extending to some 100 pages, will contain three-year macroeconomic forecasts covering the 16 largest European countries, the seven major economies of the Middle East/Africa and include an energy demand/supply balance for European countries, as well as our OPEC production assumptions.

At a one-day briefing, to be held at the Berners Hotel, London W1, on Friday, March 7, the task force will report its findings to the study subscribers. The Report, including a place at the briefing, is available for \$6,000. (A grid of discounts is available for DRI customers.)

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